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# ***Daily Report***

## **East Asia**

FBIS-EAS-95-217  
Thursday  
9 November 1995

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# Daily Report

## East Asia

FBIS-EAS-95-217

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# **Preparations for Commonwealth Heads Meeting Noted**

## **'Clear' Condemnations Urged**

*LD0911124995 Melbourne Radio Australia  
in English 1030 GMT 9 Nov 95*

[FBIS Transcribed Excerpt] The Commonwealth heads of government meeting in Auckland is preparing to take a strong stand on both nuclear testing and human rights abuses in Nigeria and there has already been condemnation from leading Commonwealth countries over the Nigerian government's decision to confirm the death sentence on nine minority rights activists. And Australia has called on the meeting to take action against Nigeria, although it's unclear what that action might be. Australia is also pushing for the meeting to deliver a clear condemnation of French nuclear testing, despite Britain's continuing support for France. This report from Lyndall Curtis in Auckland, where protesters today also voiced their feelings against nuclear testing.

[Curtis] A small contingent of protesters gathered near Auckland harbor to express their opposition to French nuclear testing and to Britain's support for France. Some had on masks depicting British Prime Minister John Major and French President Jacques Chirac, and in a piece of street theater they got into a bed together. But the public anger hasn't persuaded Mr. Major to change his stance. He held a meeting with his New Zealand counterpart Jim Bolger and afterwards defended his position.

[Begin Major recording] We are a nuclear country; the United Kingdom are [as heard] a nuclear country. We think that's necessary for deterrence and for security. That security is there for the United Kingdom; it's also there for our friends. [passage omitted] [end recording]

[Curtis] Mr. Bolger has been expressing New Zealand's opposition to the French testing. However, his position is being expressed in more diplomatic language while he hosts the Commonwealth leaders' meeting. His comments after the Major meeting were more resigned than outraged.

[Begin Bolger recording] We disagree on the issue. We accept we disagree on the issue. We are not seeking at this late moment to persuade each other to a different viewpoint. I think that's where it rests. I mean, naturally Prime Minister Major would prefer that I agree with him. I (?strongly) would prefer that he agree with me, but it doesn't happen that way. [passage omitted] [end recording]

[Curtis] Many at the Commonwealth meeting are expecting Australia to lead the charge against both the nuclear testing countries, France and China, and against

Britain. Australia's Foreign Affairs Minister Gareth Evans is already looking for a very strong statement to come out of the meeting. He says Australia wants lively language condemning the testing and a statement naming both France and China, something which wasn't done in the United Nations. Senator Evans believes a strong statement is achievable.

[Begin recording] [Evans] Well, it's a matter of trying to see what other countries are prepared to go along with, but I think particularly since John Major came out with the statement of overt support that he did for the French earlier this week, any disposition there might previously have been to be a bit more accommodating has probably largely evaporated.

[Unidentified correspondent] Mr. Major was still supporting France's position last night as he arrived in Auckland. Do you think Britain will be isolated by all the other Commonwealth leaders?

[Evans] That's the way that it's looking — not because anybody is engaged in Pom-bashing for its own sake, but because, I think, there is a genuine mood that Britain has missed the cue; that particularly in talking about strengthening nuclear deterrence at a time when everyone else in the world is trying to wind down, away from nuclear weapons, they really do seem to be off the wavelength. And certainly as I have talked to countries here this morning that's the general view.

[Correspondent] What sort of stand will [Australian Prime Minister] Paul Keating be taking on this, the slap on the wrist?

[Evans] Well, I think he'll be talking in the terms that I just have been — that what we want to see is an outcome that makes clear condemnation of the testing that has been going on from both France and China. Not only because of its environmental implications but because of its implications for nuclear policy, the end of a nuclear world that we want to see. I don't think Britain as such is in either of our sights, only that that has happened because Britain has put its head up. The main thing is to make clear the distaste for testing and all that that implies. And I think that will be the main priority and focus of Mr. Keating, as it is of me. [passage omitted]

I think Mr. Bolger is being a statesmanlike chairman, trying to persuade Britain to change its mind is not necessarily the name of the game. The name of the game is to get some language into the communique, whether or not Britain agrees with it, which clearly articulates what all of us feel. And I don't think New Zealand will be walking away from that. [end recording]



[Curtis] The Commonwealth meeting opens tomorrow and it is expected the issue of nuclear testing will be discussed on the first day. [passage omitted]

### **French Nuclear Tests Condemned**

*BK0911093395*

[FBIS Editorial Report] Melbourne Radio Australia in English at 0500 GMT on 9 November carries two reports on issues related to the Commonwealth Heads of Government Meeting, or CHOGM, scheduled to open in Auckland, New Zealand on 10 November.

In the first report, Correspondent Linda Curtis reports from Auckland that British Prime Minister John Major and New Zealand Prime Minister Jim Bolger have discussed the issue of French nuclear testing, described as one of the most contentious issues at the Commonwealth meeting. Major continues to support the French tests, while Bolger says he will not try to persuade Britain to change its position. Nevertheless, Australian Prime Minister Paul Keating says he still wants the Commonwealth summit to issue a clear condemnation of the French nuclear tests. "Mr. Keating says such a clear statement would be consistent with the communique from the last Commonwealth summit two years ago. He said there was no doubt France would be calling out favors all around the world amongst Commonwealth countries, but he added Australia was in no mood to change its mind about France's indefensible nuclear program."

According to the second report, "Canada's Prime Minister Jean Chretien has condemned French nuclear testing in the South Pacific. The Canadian leader was speaking in the West Australian capital, Perth, during a stopover while traveling to the CHOGM meeting in New Zealand. Mr. Chretien says he expects nuclear testing by the French in the South Pacific to be an important issue at the meeting."

In a recorded statement, Chretien says: "We deplore the action of the French Government and we hope that we will stop that very rapidly. It will probably be debated at the Commonwealth meeting starting tomorrow in New Zealand, and that is the position of my government."

### **South African President Arrives**

*MB0911062095 Johannesburg SAPA in English  
0413 GMT 09 Nov 95*

[FBIS Transcribed Text] Auckland, New Zealand, Nov 9 SAPA — President Nelson Mandela arrived in New Zealand on Thursday afternoon for the Commonwealth heads of government meeting and went straight into talks with Nigerian Foreign Minister Chief Tomi Ikimi.

Nigeria has emerged as a dominant issue at the Commonwealth meeting in Auckland, with Mandela being asked by human rights activists to take the lead and make a strong stand against Gen Sani Abacha's military regime.

In brief comments to the media, Mandela said South Africa was in constant contact with the Nigerian Government "and prefer to play that role".

He said South Africa's re-entry into the Commonwealth after 35 years gave it the opportunity to contribute to major international issues like development of poor countries and promotion of peace.

Mandela was also due to meet New Zealand Prime Minister Jim Bolger for talks on issues confronting the heads of state meeting, among them Nigeria, nuclear testing in the Pacific and the Commonwealth's future.

He arrived at the Regent Hotel, casually dressed in pale brown shirt, to a barrage of questions from a large group of international media.

Abacha is not scheduled to attend the Auckland meeting and has sent Ikimi in his place.

Commonwealth Secretary General Emeka Anyaoku on Thursday appealed to Abacha's government to show clemency to minority rights activist Ken Saro-Wiwa and eight others.

The Nigerian Government on Wednesday confirmed death sentences passed on the nine men by a military tribunal last Tuesday.

"To proceed with this sentence will be seen as an act of defiance in the face of world opinion," Anyaoku said.

Environmental activist group Greenpeace on Thursday said its sources in Nigeria believed the Abacha government was looking for a quiet place to execute Wiwa.

Saro-Wiwa's son, Ken Wiwa, this week appealed to Mandela to use his moral authority in Africa and the world to take a strong stand against Abacha's regime.

### **Mandela Comments on Nigeria**

*BK0911083695 Hong Kong AFP in English  
0746 GMT 9 Nov 95*

[FBIS Transcribed Text] AUCKLAND, Nov 9 (AFP) — South African President Nelson Mandela Thursday rejected calls for economic sanctions to be imposed on Nigeria and said he was anxious to keep talking to the country's military leadership "to save lives".

Mandela arrived here Thursday to attend the Commonwealth Heads of Government Meeting (CHOGM) which opens Friday.



Nigeria is a member but its leader, General Sani Abacha, is not expected to attend. On Wednesday his Provisional Ruling Council confirmed death sentences passed last week on nine activists for the minority Ogoni people to death, including writer Ken Saro-Wiwa.

Discussion at CHOGM is expected to be dominated by the issue.

Mandela, speaking at a press conference after meeting New Zealand Prime Minister Jim Bolger, said he was in touch with Abacha.

"We must try and keep in contact, to ensure that the situation is not allowed to worsen," he said.

"We want to try and persuade the Nigerians to respond to the international pressure and I would like to continue that," he added.

Mandela said that at this stage he could not support a call for sanctions.

"The solution is a process, it is not something that can be reached overnight," Mandela said.

"I am confident that to be in touch with the Nigerian leaders and to persuade them not to continue as events are developing I think is the correct approach," he said.

He stressed the issue was [not] easy to deal with.

"It is not easy to have deadlines, but I am anxious to save lives, I am anxious that the process of democracy should be speeded up. I am discussing with the Nigerians, it is not as if I am sitting down idly doing nothing about it," he said.

"If ... persuasion does not succeed then it will be time to consider other options," Mandela said.

He said he supported calls for clemency in the case of the condemned men.

"We have abolished the death sentence, and therefore it is natural on our part to make an appeal," he said.

#### **Zimbabwe's Robert Mugabe Arrives**

*MB0911102695 Johannesburg SAPA in English  
1018 GMT 09 Nov 95*

[FBIS Transcribed Text] AUCKLAND Nov 9 SAPA — Zimbabwean President Robert Mugabe on Thursday warned Nigeria that it risked expulsion from the Com-

monwealth should negotiations to reverse the death sentences of nine minority rights activists fail. Mugabe was speaking on his arrival at the Commonwealth Heads of Government Meeting in Auckland, New Zealand, Zimbabwe's ZIANA [ZIMBABWE INTER-AFRICAN NEWS AGENCY] news agency reported. Speaking to reporters after meeting New Zealand Prime Minister Jim Bolger, Mugabe said sanctions against Nigeria would also be considered by Commonwealth leaders.

Mugabe strongly condemned the decision to confirm the death sentences imposed by a special tribunal on minority leader Ken Saro-Wiwa and eight activists fighting for the survival of the Ogoni people. Mugabe said the decision came like "a bolt out of the blue" in view of Nigerian ruler Gen Sani Abacha's promise to restore democracy within three years. "The decision causes overall political concern because it comes at a time when we thought there was hope that as a result of statements Abacha made, Nigeria was closer to moving from military rule to civilian rule," said Mugabe.

#### **Lesotho Delegation Arrives**

*MB0911132995 Maseru Radio Lesotho in English  
1130 GMT 9 Nov 95*

[FBIS Transcribed Text] The honorable deputy prime minister, Mr. Pakalitha Mosisili, and his delegation arrived in Auckland, New Zealand, this morning to attend a three-day Commonwealth Heads of Government Meeting, which starts tomorrow. The delegation was met at the airport by the minister of foreign affairs, Mr. Kelebone Maope. The Commonwealth summit meeting will be opened by the New Zealand prime minister, Mr. James Bolger.

#### **Indian Minister Warns Pakistan**

*BK0911142795 Delhi All India Radio Network  
in English 1230 GMT 9 Nov 95*

[FBIS Transcribed Text] India has issued a stern warning to Pakistan against raising the Kashmir issue at the coming Commonwealth summit at Auckland. In an interview to a TV network in Auckland, the external affairs minister, Mr. Pranab Mukherjee, said it would be tantamount to violating the Commonwealth Charter. He said Pakistan raises the issue in season out of season, completely ignoring the ethics of certain congregations, like NAM [Nonaligned Movement].



## Japan

### Murayama on Intention To Sign Land Use Document

*OW0911081595 Tokyo NIHON KEIZAI SHIMBUN in Japanese 8 Nov 95 Evening Edition p 1*

[FBIS Translated Text] At the plenary session of the Upper House on the morning of 8 November, Prime Minister Tomiichi Murayama commented on the issue of Okinawa Governor Masahide Ota's opposition to the proxy signing procedures for forced use of land for the U.S. military bases. At the session Murayama stated: "I understand the governor's views and stance very well. However, I will make strenuous efforts to preempt a situation in which Japan would no longer be able to perform its duties as stated in the Japan-U.S. Security Treaty." Thus, Prime Minister Murayama reiterated the government's intention to implement legal procedures, and for himself to sign the document.

### Kono 'May' Urge Murayama To Sign Land Papers

*OW0911060695 Tokyo KYODO in English 0554 GMT 9 Nov 95*

[FBIS Transcribed Excerpt] Tokyo, Nov. 9 KYODO — Foreign Minister Yohei Kono said Thursday [9 November] he may urge Prime Minister Tomiichi Murayama to sign documents necessary for forced land rental in Okinawa for use by U.S. forces in the face of continued resistance by the governor of the island prefecture in southwestern Japan.

"I will do what I've got to do as a foreign minister," Kono told a session of the House of Councillors Foreign Affairs Committee.

Kono said Murayama acknowledges the importance of maintaining the Japan-U.S. security treaty.

His words suggested that he may advise Murayama to make the final decision before his Tokyo summit meeting with U.S. President Bill Clinton scheduled for Nov. 20.

Okinawa Gov. Masahide Ota has refused to cooperate with the central government over the legal procedure for forced land rental in Okinawa following the early September rape of a Japanese schoolgirl, allegedly by three U.S. servicemen, which ignited strong protest by local residents against the large presence of U.S. forces in the prefecture. [passage omitted on remarks by Kensaku Hogen on security situation in Golan Heights]

Meanwhile, an Okinawa labor leader handed Murayama signatures of 516,000 people collected in a campaign to call for a revision of a bilateral agreement on the legal status of the U.S. forces in Japan.

Murayama said he will make every effort to respond to the wishes of Okinawa residents, according to Masahiro Watakuchi, head of Rengo Okinawa, the Okinawa branch of the Japanese trade union confederation, Japan's largest labor organization.

### Okinawa Decides Not To Cooperate in Land Lease

*OW0811160495 Naha RYUKYU SHIMPO in Japanese 7 Nov 95 Morning Edition p 1*

[FBIS Translated Text] In connection with Prime Minister Tomiichi Murayama's decision to launch legal procedures for issuing an order to perform duties in connection with the "proxy signing" of documents needed for enforced lease of land used for U.S. Forces, the Okinawa prefectural government has decided to fight the controversial issue to the last, while maintaining that "no helping hand will be rendered in the attempt to turn military bases into permanent fixtures." The prefectural government intends to start full-scale preparations for its fight at court by collecting relevant theoretical materials. For example, a meeting will soon be held to solicit views from research workers and lawyers who are well versed in matters connected with the proxy performance of duties [by local governments on behalf of the national government]. On the other hand, the national government is now paying great attention to the fact that, as a result of difficulties in settling the "proxy signing" issue, it has become almost certain that a "legal vacuum [ho-teki kuhaku]" will arise in the lease of a 226-square-meter land lot on the Sobe Communications Station site because it is now impossible to renew the land lease before its expiration in late March next year. Therefore, on 6 November, the government started studying the possibility of taking emergency measures to extend the lease period by six months under existing laws. In addition to rejecting "proxy signing," Governor Masahide Ota declared on 6 November that he would fight in court the controversial issue of proxy performance of duties and reject the "proxy circulation of notices [kokoku juran daiko]." As a result, it has definitely become inevitable that there will be further difficulties in the national government's plan to carry out procedures for enforced use of land for the U.S. Military.

Even if Prime Minister Murayama should immediately launch the required procedures, it would be extremely difficult to ensure the right of using the land the Sobe Communications Station is on before the lease expires. According to the Naha Defense Facilities Administration Bureau, it will take about two weeks for the government to complete each of the processes of "issuing advice" and "issuing orders" in the course of requesting the performance of assigned duties.



Moreover, when "the case is brought to a higher court" by the national government, the court would have to decide within 15 days when oral proceedings should be conducted. As for how many times oral debates (more than one debate is requested) should be conducted, it will be left to the court to decide based on its right of legal command. However, it is estimated that it will take several months before the proceedings are completed. The Defense Facilities Administration Agency [DFAA] has come to have an intensified sense of crisis, and maintains that "no court verdict can be obtained before March next year," and that "it will be necessary at least to have the prime minister sign documents by then." Thus, it is worried about what measures should be taken to keep the "legal vacuum" to the minimum.

The prefectural government has started collecting information on previous cases of debates on the "circulation of notices" and on "matters connected with proxy performance of duties," as well as the trend of an argument on decentralization of administrative power. Thus, preparations are now in steady progress for legal proceedings.

When the prime minister completes the "proxy signing" procedures, the DFAA intends to apply for a verdict on enforced use of land lots belonging to about 2,890 landowners — documents required for using their land have already been signed either by landowners themselves or city, town, and village authorities. At the same time, the DFAA plans to apply for extending the lease period for land belonging to 35 landowners for whom "proxy signing" is required. Whether the lease period can be extended or not will depend on the discretion of the Okinawa Land Expropriation Committee [OLEC]. Thus, the national government is now in a very serious situation.

Even after the DFAA submits to the OLEC all its applications for a verdict on enforced land use, there still remain such difficult problems as "circulation of notifications" on documents concerning applications for a verdict on enforced use of land at the city, town, and village levels. If a city, town, or village's authorities reject this step, there will still remain the problem of the "proxy circulation of notifications" to be carried out by the prefectural governor. Since Governor Ota as well as several city, town, and village mayors have stated their intention to reject the "circulation of notifications," the national government cannot make any predictions at this moment as to when the open trial — the final forum for debates between the national government and landowners who have rejected signing lease contracts — will be conducted.

#### Four Local Leaders Opposed to Proxy Signing

OW0811135395 Naha OKINAWA TIMES in Japanese  
7 Nov 95 Morning Edition p 1

[FBIS Translated Text] According to an OKINAWA TIMES survey on 6 November, among the nine local governments involved in the "circulation of notices," which is the next administrative procedure to be undertaken on behalf of the national government in the proxy signing procedure for the forced use of land for U.S. military bases, Naha, Okinawa, and Ginowan cities and Yomitan village have decided to refuse to do so.

Naha, Okinawa, and Yomitan had also refused to undertake the proxy signing of land documents. With regard to the circulation of notices, the towns of Kadena and Chatan have also indicated they might opt for refusal, although they still take a cautious attitude, and "will be closely watching the political situation henceforth."

Urasoe city and Onna Village are "deferring" their decisions, while Ie Village did not respond to the OKINAWA TIMES' inquiry.

Governor Masahide Ota also stated clearly at a 6 November news conference that he will refuse to circulate the notices. This probable increase in the number of local governments refusing to undertake administrative procedures on behalf of the national government in the circulation of notices phase is likely to force the government into an even more difficult position in its administration of the Japan-U.S. security arrangements and the U.S. bases.

Six local governments — Ginowan, Urasoe, Kadena, Chatan, Onna, and Ie — undertook proxy signing of land registers of uncontracted land for use as U.S. bases [the last time]. However, amid the upsurge in anti-bases sentiments among the Okinawan people as a result of the rape incident involving U.S. soldiers, Ginowan has joined the ranks of those refusing to circulate notices. Both Kadena and Chatan may also follow suit; thus, it is most likely that a total of six local governments will refuse. Ie did not reply to this paper's survey.

The circulation of notices is required in the process for the Okinawa Land Expropriation Committee to pronounce a verdict on forced land use. After the national government requests a decision from the prefecture's expropriation committee, circulation of notices has to be performed by the heads of local governments on behalf of the national government. If the local leaders refuse, the governor will have to decide whether he will undertake the procedure for them.

Among the six local leaders who previously undertook proxy signing of land documents, Ginowan Mayor



Seiken Tobaru has now decided not to circulate notices. He said: "Amid the upsurge in anti-bases sentiments, I cannot undertake this procedure for the state. I will also refuse to sign a contract for the military land that I personally own." He declared that he is going to become a "defiant" landowner.

Kadena Mayor Tokujitsu Miyagi said: "This should not be treated simply as a matter of undertaking administrative procedures on behalf of the national government; this has come to have political implications. I will make a decision depending on the prevailing situation. The political situation right now is such that it is unacceptable to the Okinawan people, so I will refuse." He indicated that he will watch the situation closely, and may refuse to undertake the administrative procedure.

Chatan Mayor Choichi Hentona is also negative about undertaking the procedure on behalf of the state. He said: "The present situation is very different from the [last] time I did the proxy signing of land lease documents. I would like to look closely at such matters as how much attention the national government pays to the Okinawans' sentiments, and deal with the problem cautiously."

Urasoe Mayor Seiko Gibo said: "I am psychologically unprepared. I cannot answer your question. When the time comes, I will make a decision." Onna Village head Shigemasa Higa said: "At this stage I will defer (my answer)." Both men are deferring their decisions.

On the other hand, Naha Mayor Kosei Oyadomari, who refused proxy signing [in the past], stated that with regard to circulation of notices, "I think basically, I will take the usual position (of refusing)."

Yomitan Village head Tokushin Yamauchi declared his refusal to undertake the procedure, saying, "It is anomalous for heads of local governments to perform these procedures when individual citizens refuse to sign contracts. I cannot do anything that is not in the residents' interest."

Okinawa City Mayor Shusei Arakawa took a basically negative position. He said, "The landowners expressed their refusal to contract out their land. Therefore, I refused proxy signing. I have not reached a decision on the circulation of notices, but I will decide based on the prefectural government's attitude."

#### **Ota Rejects Public Notice on Forcible Land Use**

*OW0811135295 Naha OKINAWA TIMES in Japanese 7 Nov 95 Morning Edition p 1*

[FBIS Translated Text] Referring to procedures for "public notification" to be taken after the government's petition for a decision on forcible use of land by U.S.

military bases is submitted to the prefectural Land Expropriation Commission, Governor Ota told a regular news conference on 6 November that "my position is that I am not going to get myself involved in work that leads to permanent use of lands for military purposes." In this way, the governor indicated a stand of refusing to take procedures for public notification.

Governor Ota said that if Prime Minister Tomiichi Murayama, based on the Local Government Act, takes legal action ordering the governor to perform his duty, he will complain about the land issue at court, explaining that landowners' property rights are guaranteed by the Constitution and land that was forcibly taken by the U.S. military in the U.S. occupation era is still being used by force, even after Okinawa's reversion. He also disclosed that the Okinawa Prefectural Office will contest the central government by stressing Okinawa Prefecture's contentions on whether a local government can refuse to take administrative procedures requested as proxy for the central government.

The governor added, "I want to appear (in court) if necessary," thus showing an intention to present himself at court to maintain Okinawa's position.

#### **Lake's Comments at Envoy's Luncheon Noted**

*OW0911045795 Tokyo KYODO in English 0047 GMT 9 Nov 95*

[FBIS Transcribed Text] Washington, Nov. 8 KY-ODO — U.S. National Security Adviser Anthony Lake stressed the need Wednesday [8 November] for the United States and Japan to do more to resolve the Okinawa issue so as to maintain stable bilateral security cooperation, a Japanese official said.

Lake was speaking at a working lunch hosted by Secretary of State Warren Christopher for Japanese Ambassador Takakazu Kuriyama, who is returning to Japan later this year after completing his tour of duty.

Lake said U.S.-Japanese security cooperation serves as the backbone of stable bilateral relations even amid trade disputes, according to the official.

But the security arrangements have become strained, Lake said, referring to the escalating public outcry in Japan following the Sept. 4 rape of a 12-year-old schoolgirl in Okinawa prefecture, for which three U.S. servicemen are now on trial.

Against this backdrop, Lake emphasized the need for the two nations to redouble efforts to overcome the problem following the planned summit meeting Nov. 20 in Tokyo between U.S. President Bill Clinton and Japanese Prime Minister Tomiichi Murayama, the Japanese official said.



The official said Lake's presence at such a luncheon was unprecedented, indicating the importance the U.S. attaches to resolving the Okinawa issue in maintaining security ties with Japan.

Christopher, meanwhile, reiterated his request for Japan to actively participate in a reconstruction plan after peace is realized in Bosnia, the official said.

Kuriyama replied that Japan is seriously considering what contribution it can make, the official said.

**DA Head Urges Early Discussion at Base Forums**

*OW0911070995 Tokyo NHK General Television Network in Japanese 1020 GMT 7 Nov 95*

[Announcer-read report with recorded passage; from the "NHK News 7" program]

[FBIS Translated Text] At a news conference after the cabinet meeting, Defense Agency Director General Seishiro Eto stressed that to win Okinawa's understanding, it is important to launch discussions as soon as possible at the concerned organs, including a proposed consultative body between the government and Okinawa, on issues involving U.S. military bases. Concerning his planned visit to Okinawa on 11 November, Eto said that at a meeting with Governor Masahide Ota, he will seek Ota's cooperation in effectively enforcing Japan-U.S. security arrangements.

[begin Eto recording] Having the concrete system start functioning to settle this matter as soon as possible is more important than discussing extremely high-level ideology and policy. [end recording]

He stressed that it is important that consultative bodies — to be formed separately between the Japanese and U.S. Governments and between the central and Okinawa prefectural governments — should begin discussing the Okinawa bases as soon as possible to win Okinawa's understanding.

**NFP Works Out Policy Regarding Okinawa Bases**

*OW0911091795 Tokyo SANKEI SHIMBUN in Japanese 8 Nov 95 Morning Edition p 2*

[FBIS Translated Text] Regarding U.S. military bases on Okinawa, on 7 November the New Frontier Party [NFP] worked out a policy designed to study ideal ways of sharing responsibilities, including a partial relocation of the bases on Okinawa to mainland Japan. Moreover, the NFP called for the establishment of a "committee for promotion of reorganization and consolidation of U.S. military bases on Okinawa," which will be composed of minister-level officials of both Japan and the United States. The party also called for formation of a reorga-

nization and consolidation plan and other proposals by the same committee regarding a request submitted by the Okinawan Prefectural Government on the return of 18 military facilities.

On condition that the Japan-U.S. security system is to be firmly maintained, the NFP policy clearly states that Prime Minister Tomiichi Murayama should go through legal formalities for proxy signing before the Japan-U.S. summit talks. Regarding the 23 military facilities whose return has already been agreed on by both countries, and three other facilities whose return was agreed upon at the Japan-U.S. summit meeting in January this year, the NFP's policy incorporates, among other things, a plan to set a deadline for implementing their return.

**Nosaka on Approval for Base Forum Before Summit**

*OW0811135195 Tokyo NIHON KEIZAI SHIMBUN in Japanese 6 Nov 95 Evening Edition p 2*

[FBIS Translated Text] With regard to a plan to create a new consultation organ between the central and Okinawa prefectural governments, Chief Cabinet Secretary Nosaka said on the morning of 6 November that, "It should be set up at the earliest date." He thus showed his intention to win cabinet approval for the plan before the Japan-U.S. summit on 20 November. Prime Minister Tomiichi Murayama had proposed this plan at a meeting with Okinawa Governor Masahide Ota. Concerning members and the schedule for the organ's first meeting, Nosaka said: "It will not include the governor and ministers. It will be comprised of bureau chief-level officials. The first meeting will be held after 20 November." He made those comments in response to reporters' questions at the Diet building.

**Okinawa Reviews Base Committee's Functions**

*OW0811141595 Naha RYUKYU SHIMPO in Japanese 8 Nov 95 Morning Edition p 1*

[FBIS Translated Text] The Okinawan government started on 7 November a review of the tripartite liaison committee, through which it discusses the operations and management of U.S. military bases in Okinawa with the Naha Defense Facilities Administration Bureau [DFAB] and U.S. Forces Okinawa, with the aim of effecting a comprehensive reform of its operations. Okinawa wants to take improvement measures to strengthen the tripartite committee's powers, including the possibility of designating this an organ under the Japan-U.S. Joint Committee.

It has been pointed out that the tripartite committee exists in name only due to its failure to respond promptly and effectively to problems. At its 16th



meeting last March, which was held after an interval of two years and three months, in response to the prefectural government's demand for restriction on night flights and prohibition of low-altitude cruising, the U.S. military authorities insisted that "improvements are already in place." This underscored the committee's uselessness.

The charter providing for the creation of the tripartite committee states that its purpose is "for Okinawa Prefecture, Naha DFAB, and U.S. Forces Okinawa to discuss freely from their own perspectives problems of common concern arising from the management and operations of the bases."

Commenting on the present state of the tripartite committee and the committee's organization charter, Tatsuo Matayoshi, director of the Governor's Executive Office, said: "It is imperative to make the currently ineffectual tripartite committee capable of fruitful discussions. In its present state, whenever a question is raised, it is evaded by saying 'this belongs to the jurisdiction of the Japan-U.S. Joint Committee.' Steps such as placing the tripartite committee under the Joint Committee should be taken to strengthen and clarify its powers."

#### **Possibility of U.S. Bases Reduction Viewed**

*OW0911073195 Tokyo AERA in Japanese 13 Nov 95 p 17*

[Article by editor Shunji Taoka: "The United States is Serious About Reducing Bases in Okinawa"]

[FBIS Translated Text] "I cannot go into details until the Murayama-Clinton talks, but the United States is showing a surprisingly serious attitude about working on reorganizing and retrenching military bases in Okinawa. While it claims that right now, 'troops will not be reduced,' I really doubt it. If there is any substantial return of bases, it will naturally lead to troop reductions. However, saying this would have an overwhelming impact in the United States at present; it will be taboo for some time."

A senior Defense Agency [DA] official who was present at the meeting between U.S. Defense Secretary William Perry and DA Director General Seishiro Eto said he truly felt how seriously the United States takes the Okinawa issue.

What used to be the common threat, the Soviet Union, disintegrated. It is not just a matter of the bilateral alliance losing its original basis; there is also the anomaly of the host country paying for more than 70 percent of the expenses of U.S. Forces Japan [USFJ] and the overconcentration of 75 percent of USFJ bases in Okinawa. Considering these three factors, it is

obvious that the United States should worry that the rape of the schoolgirl might undermine the "omoiyari [sympathy] allocations" for the USFJ and even the alliance relationship.

#### **The Foreign Ministry's Information Is Divorced From Reality**

The serious attitude of the United States was also demonstrated by visits to Japan by many scholars and Defense Department officials before Perry's visit, to talk with Japanese from various sectors in an active effort to conduct "reconnaissance."

A Defense Department official said, "At first, the Japanese Foreign Ministry said this uproar would soon subside. Therefore, we were also optimistic. However, the situation became increasingly serious. Assessments from the embassy in Tokyo mainly reflected the Japanese Foreign Ministry's views. That is why, when they were presented in our morning meetings, they sometimes completely contradicted the morning news. We felt it would be a disaster not to investigate directly."

The thinking of officials in charge of the United States section in the Foreign Ministry is too pro-American. Inasmuch as they are divorced from the realities in Japan, they are useless both as negotiating partners and as sources of information for the United States.

The United States, alerted by the unexpected ramifications of the incident, even thought of sending the first lady, Hillary Clinton, to Okinawa as a special envoy to extend apologies. However, it was determined that the essence of the problem is the concentration of U.S. military bases in Okinawa and that sending the first lady would only attract world attention to the rape incident, so the plan was scrapped.

Perry met Foreign Minister Yohei Kono and DA Director General Eto on 1 November, and they agreed on the following: 1) on promoting return of military bases, the "10 cases" in which return has been agreed upon but not actually implemented, for such reasons as the landowners' opposition to the return, will be resolved before the end of 1995; and 2) a consultative body will be formed, consisting of DA and Foreign Ministry officials at the bureau director general rank, senior officers of the Joint Staff Council, officials of the assistant secretary class from the U.S. State and Defense Departments, and senior officers of the U.S. Pacific Command and U.S. Forces Japan, to formulate plans for reorganizing and retrenching U.S. bases. The U.S. side would like to reach a conclusion within a year, but the Japanese side thinks a little more time will be required, considering the need to compensate landowners who will lose their income from land leases.



The focal issue in reorganizing and retrenching U.S. military bases in Okinawa is what to do with the Third Marine Expeditionary Force, which represents around 62 percent of U.S. forces in Okinawa and occupies around 75 percent of the total base area. Around 1990, the U.S. Department of Defense concluded that the presence of this Marine force was of little value and strongly recommended disbanding it. However, the DPRK's (North Korea) development of nuclear arms surfaced, and the issue was shelved.

#### **Commitment to "Retrenching" Bases Necessary**

In October 1994, the United States and North Korea reached agreement that the DPRK should discontinue its development of nuclear arms and would be given light-water reactors as compensation. Furthermore, North Korea is now in such a sad plight, with an extremely serious shortage of food and fuel, that it is asking for help from Japan. Even if North Korea launches a "desperate charge," the South Korean army and U.S. Forces Korea are quite capable of defending against the assault.

Under an increasingly tight U.S. defense budget, some Defense Department officials are even saying: "We should use the rape incident positively, to reintroduce the plan to disband the Third Marine Expeditionary Force."

However, Perry avoided discussing the Third Marine Expeditionary Force during his Japan visit. At his news conference, he talked generally, saying that "all troops are stationed based on security needs."

If Prime Minister Tomiichi Murayama is to sign land leases by proxy on behalf of the landowners and Governor Masahide Ota of Okinawa, he needs to show results in getting a commitment to reduce the bases.

#### **Editorial Praises Murayama-Ota Base Talks**

*OW0811141095 Tokyo NIHON KEIZAI SHIMBUN  
in Japanese 5 Nov 95 Morning Edition p 2*

[Editorial: "Continuing Dialogues for Resolving the Base Issue"]

[FBIS Translated Text] One step forward has been achieved in the problem of the U.S. military bases in Okinawa with Prime Minister Tomiichi Murayama and Governor Masahide Ota agreeing at their meeting to create a consultative body between the national government and Okinawa.

The government has also decided to set up a forum on the Okinawa bases issue with the United States. We hope the two bodies will function properly for a

substantial solution to the problem. They must not be bodies for deferring pending issues into the future.

The Murayama-Ota meeting lasted for four hours and 40 minutes. This was the first time the prime minister and the Okinawan governor had ever talked for such a long time about the U.S. bases in Okinawa. After the meeting, Governor Ota commented that "the meeting went well, I am happy about it."

However, the meeting failed to reach any agreement on substantive matters. During the meeting, the governor presented a list of demands on revising the provisions of the Japan-U.S. Status of Forces Agreement [SOFA]. He also conveyed the message that he "cannot undertake the proxy signing procedure" for the forced use of land for U.S. military bases.

On the other hand, the government had already confirmed with U.S. Defense Secretary William Perry at previous talks that the SOFA will not be revised. With regard to the procedures for forcible land use, the prime minister stated after his meeting with Governor Ota: "I have come to fully understand the governor's feelings and position. The government will take the responsibility in considering this problem, and make a decision." He indicated he was prepared to initiate legal procedures for him to sign land documents by proxy.

The new consultative body will be one way to narrow the gap between the two parties. At the same time, we must realize that this will take considerable time.

This is because of the extent of the gap and the complicated factors involved in the series of problems that emerged in the aftermath of the rape of a schoolgirl by U.S. soldiers in early September. The root cause lies in the fact that 75 percent of bases used by U.S. Forces Japan are concentrated in Okinawa.

It is also a fact that the Japan-U.S. security arrangements serve Japan's defense as well as function as a stabilizing factor in Asia and the Pacific, and U.S. military bases in Okinawa play an important role in this scheme.

The dilemma of the security alliance's importance versus the heavy burden the bases impose on Okinawa is precisely the gap dividing the national government and Okinawa Prefecture. The government will have the difficult task of coordinating both with the United States and with Okinawa through the two venues.

Secretary Perry has clearly declared that there is no intention to reduce the 47,000 U.S. troops stationed in Japan. Except in the case of a turn for the better in the situation across the Taiwan Strait and on the Korean peninsula, it is not necessarily realistic to engage in discussions premised on an expectation for troop



reductions at this point. Therefore, the government's immediate task is domestic coordination to reduce the burden on Okinawa.

If the bilateral security pact is important for Japan's defense and the bases in Okinawa will continue to be important for the bilateral security arrangements for the time being, then, continuous efforts toward reducing the burden on Okinawa are most important. Unfortunately, the government has not been sufficiently aware of this so far.

The issue of bases in Okinawa will not end with a solution to the proxy signing problem. The prime minister has said that he stakes the "cabinet's fate" on this issue, and Governor Ota has agreed to have more meetings with the prime minister. Smooth communications between the prime minister and the Okinawan governor are important, at least from the point of view of Japan's security.

#### **Envoy's Remarks on Security Council Seat Viewed**

*OW0911052495 Tokyo KYODO in English  
0436 GMT 9 Nov 95*

[FBIS Transcribed Text] New York, Nov. 8 KYODO — The U.N. General Assembly on Wednesday [8 November] voted to make South Korea one of five new nonpermanent members of the Security Council for the first time since it joined the United Nations along with North Korea in 1991.

The assembly also elected Chile, Egypt, Guinea-Bissau and Poland to serve as Security Council members for two years, beginning Jan. 1, 1996.

South Korean ambassador to the UN Pak Su-kil told KYODO NEWS SERVICE his country gained a Security Council seat only four years after joining the world body because international society has recognized Seoul's contributions toward maintaining global peace and promoting the economies of developing countries.

North Korean ambassador to the UN Pak Kil-yeon told the assembly before the balloting that Pyongyang is against Seoul's Security Council membership, saying that the Korean peninsula is still under the temporary truce of the 1950-1953 Korean War and such membership would not help to maintain world peace and security.

In the balloting, 168 of the 185 assembly members voted for Chile, 159 for Egypt, 156 for South Korea and 128 each for Guinea-Bissau and Poland.

Five other nonpermanent members — Botswana, Germany, Honduras, Indonesia and Italy — will remain council members until Dec. 31, 1996. The 15-member

council also includes the five permanent members — Britain, China, France, Russia and the United States.

Libya initially expressed its intention to run in the membership race, supported by African countries, but its candidacy was replaced by Egypt, under pressure from the U.S., Britain and other western nations, because Tripoli is still subject to sanctions imposed by the Security Council following its failure to hand over suspects in the 1988 bombing of a Pan Am plane.

#### **EU Urges Easing Regulations in Business Areas**

*OW0911045895 Tokyo NIHON KEIZAI SHIMBUN  
in Japanese 8 Nov 95 Morning Edition p 5*

[FBIS Translated Text] A high-level working meeting between Japan and the European Union (EU) was held in Tokyo on 7 November to discuss a wide range of economic issues facing them. The EU delegates called on their counterparts to ease 136 regulations in 17 fields. The EU's requests include ending regulations on foreign investment in Class I carrier telecommunications and restrictions that limit job classifications in temporary personnel services.

In the meeting, Japanese water companies' recent withdrawal of tainted mineral water came up on the agenda. The EU side pointed out that "scientific justification for Japan's hygiene standards is unclear," requesting that food hygiene standards in Japan and Europe be reconciled. Meanwhile, Japanese delegates called on the EU to ease 42 regulations in 15 business areas, including procedures for export of Japanese dairy products.

The meeting, the first since last February, was an opportunity for high-ranking officials to discuss trade issues and economic cooperation between Japan and the EU. Each side presented its own requests, with the aim of steadily increasing trade opportunities and expanding trade by easing regulations. Based on these proposals, the two sides will seek to deregulate and to reconcile standards and licensing in Japan and the EU.

The EU delegates praised increased foreign access to the Japanese market, saying, "Our exports to Japan increased by 32 percent this year compared with last year." At the same time, however, the EU made various requests, including simplifying advance import formalities at ports and harbors and strengthening competitive policies. As for telecommunications, the EU officials made 20 requests, such as opening to public debate the proposed breakup of NTT [Nippon Telegraph and Telephone Corporation].

On the recent Japan-U.S. agreement on autos and auto parts, the EU delegates proposed to take part in a follow-up meeting between Japan and the United States. The



Japanese delegates answered, "We do not know whether the United States will agree, and we are asking the United States about it." Finally, Japan and the EU agreed to meet again after seeing the U.S. reaction.

#### **Ministry Tried Swaying Mayors' ICJ Remarks**

*OW0711142895 Tokyo KYODO in English*  
1330 GMT 7 Nov 95

[FBIS Transcribed Text] The Hague, Nov. 7 KYODO — Japan told the International Court of Justice [ICJ] on Tuesday [7 November] that the use of nuclear weapons is against the spirit of humanity, but in contrast to the mayors of Hiroshima and Nagasaki avoided a clear-cut answer as to whether nuclear warfare is illegal.

"The Government of Japan believes that, because of their immense power to cause destruction, the death of and injury to human beings, the use of nuclear weapons is clearly contrary to the spirit of humanity that gives international law its philosophical foundation," said Takekazu Kawamura, the Foreign Ministry's director general for scientific and technological affairs.

In contrast, the mayors of Hiroshima and Nagasaki, the two only cities in the world that sustained a nuclear attack, both denounced nuclear warfare as a violation of international law citing their "enormous, indiscriminate devastation to civilian lives."

During their testimony at the world court, Hiroshima Mayor Takashi Hiraoka and Nagasaki Mayor Itcho Ito used enlarged photographs to document the cruel effects of the atomic bombings of their cities in August 1945.

Ito said that in his understanding of international law attacks on civilian communities, the infliction of unnecessary suffering and the destruction of the environment are prohibited even if the weapons used are not expressly banned.

Therefore the use of nuclear weapons "is a manifest infraction of international law," he said.

In Tokyo, Foreign Ministry Spokesman Hiroshi Sakamoto said he is sure the world court would not take the mayors' opinions as that of the Japanese Government.

The ministry had pressured the mayors to delete the controversial passages on the illegality of nuclear warfare from their statements, but backed down after Chief Cabinet Secretary Koken Nosaka intervened.

Nagasaki atomic bomb victims welcomed their mayor's outspokenness. "He has appropriately conveyed our thoughts. We applaud him," said Sakue Shimohira, 60, head of a survivors' organization.

Eight countries have already proclaimed their views on whether the use of nuclear weapons by a state in a military conflict violates international law before the court since Oct. 30.

Australian Foreign Minister Gareth Evans has told the court that nuclear weapons are illegal, while France has argued that defense policy, including decisions on nuclear weapons, falls within each country's sovereignty.

The world court in The Hague began hearing UN Member states' views on the matter after the World Health Organization and the United Nations asked the court for an advisory opinion.

#### **Nosaka on Mayors' ICJ Nuclear Arms Testimony**

*OW0811122895 Tokyo KYODO in English*  
0837 GMT 8 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 8 KYODO — Chief Cabinet Secretary Koken Nosaka said Wednesday [8 November] the mayors of Hiroshima and Nagasaki have given better testimony at the International Court of Justice than a Foreign Ministry official on the legality of nuclear arms.

The government spokesman told reporters the use of nuclear weapons is an apparent violation of international law.

Asked if he thinks the use of nuclear weapons runs counter to international law, he replied, "I think so."

Acknowledging his view differs from the traditional government stance, Nosaka said the government should come up with a unified opinion.

He also hoped international law will clearly stipulate the illegality of nuclear warfare.

In testimony before the world court in The Hague on Tuesday, the mayors of Hiroshima and Nagasaki denounced the use of nuclear arms as a violation of international law.

But the Foreign Ministry official, who spoke to represent the Japanese Government, used more vague language and said only it is against the spirit of humanity.

#### **Nosaka Reiterates Illegal Use of Nuclear Weapons**

*OW0911105295 Tokyo KYODO in English*  
1006 GMT 9 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 9 KYODO — Chief Cabinet Secretary Koken Nosaka on Thursday [9 November] repeated his stated contention that the use of nuclear weapons runs counter to international law.



"To put it into a broader perspective, or from the viewpoint of common law, I believe it is against international law," the top government spokesman told a news conference.

Nosaka's comment echoed a similar remark on Wednesday that deviates from the government's official stance on the use of nuclear arms. Until now, the government has refused to declare internationally that nuclear warfare is illegal.

Nosaka also expressed hope that international law will clearly stipulate the illegality of nuclear arsenals, adding that the government needs to change its official stance on the issue.

"If it is not clearly stipulated right now, Japan should press for a demand for the inclusion of such wording," the spokesman said.

In testimony before the International Court of Justice in the Hague on Tuesday, the mayors of Hiroshima and Nagasaki denounced the use of nuclear arms as a violation of international law.

But a Foreign Ministry official who also testified there on behalf of the Japanese Government used vaguer language and said it was merely against the spirit of humanity.

"I support the views of the mayors of Hiroshima and Nagasaki," Nosaka said, adding that the use of nuclear warfare violates international law "in the eyes of every (Japanese) citizen."

#### **Tokyo Reveals Plans on Liberalization Exemptions**

*OW0911144495 Tokyo YOMIURI SHIMBUN  
in Japanese 9 Nov 95 Morning Edition p 7*

[FBIS Translated Text] On 8 November, the Japanese Government disclosed its plan to deal with the issue of treating special sectors, including agriculture, as exceptions to the liberalization plan. The issue of allowing exceptions is the largest focal point of an "action program" that will be adopted at the Osaka meeting of the Asia Pacific Economic Cooperation (APEC) forum. Japan is saying that nothing has been decided on liberalization except in the areas agreed upon at the Uruguay Round (multilateral trade negotiations).

According to a government source, the plan calls for the following four items. 1. Japan will not agree to elimination of the general principle that calls for consideration of liberalization of special areas; 2. The Uruguay Round agreement will be implemented faithfully; 3. Liberalization of trade and investment, will start with a clean slate, except for the Uruguay Round agreement; and 4. No pledge will be made on liberalizing trade and invest-

ment by 2010, which is APEC's deadline for developed nations.

However, countries such as the United States and Canada are still calling for the "fruition of liberalization in all areas." It seems that an attempt to coordinate opinions at the meeting will meet with rough sailing.

#### **Tokyo Wants To Push IPR Project at APEC**

*OW0911110395 Tokyo NIHON KEIZAI SHIMBUN  
in Japanese 7 Nov 95 Morning Edition p 5*

[FBIS Translated Text] The Japanese Government has decided to set up the "Asia-Pacific Intellectual Property Rights Training Center" in Japan as early as the beginning of 1996, with the aim of improving intellectual property rights [IPR] protection by nations and territories in Asia. The plan will be proposed at the Asia Pacific Economic Cooperation (APEC) forum opening in Osaka on 15 November. The practice of pirating goods and illegally using trademarks is rampant in parts of Asia, and troubles with Japanese, U.S., and other foreign companies doing business there are increasing. The training center is expected to host a total of 1,000 trainees in four years leading up to the year 2000, and will provide guidance for personnel in charge of intellectual property rights protection policies.

Assuming that investment in Asia will become more active, the APEC members will announce at the Osaka forum their policy to make strengthening copyright, patents, and trademarks protection a common regional target. They also plan to call on developing nations to implement by January 2000 the Trade-Related Intellectual Property Rights (TRIPS) Agreement adopted at the World Trade Organization (WTO).

Under these circumstances, the center will focus on training experts in charge of protecting intellectual property rights in APEC nations and territories. The government plans to construct the center in Tokyo and to host government officials in charge of examining intellectual property rights, attorneys, corporate officials in charge of legal affairs, and other private sector experts. It also plans to hold symposiums to promote the protection systems and related educational activities.

#### **Envoy on Setting 'Action Program' at Osaka Forum**

*OW0911095195 Tokyo NIHON KEIZAI SHIMBUN  
in Japanese 8 Nov 95 Morning Edition p 5*

[FBIS Translated Text] On 6 November, Hiromoto Seki, Japanese ambassador in charge of the Asia-Pacific Economic Cooperation (APEC) forum, gave an interview to NIHON KEIZAI SHIMBUN and other news



organizations prior to the APEC forum's opening in Osaka next week. The APEC member nations have been having difficulty determining whether or not to allow exemptions in the agricultural field in drafting the "action program" on the liberalization of trade and investment.

Referring to this, Seki, a senior Foreign Ministry official, said: "We cannot postpone the final decision. We will avoid being dogmatic and settle this issue by the end of the ministerial talks." He disclosed that Japan will aim at settling this issue by rewording the action program so that it will be acceptable to all member nations.

He also said that if members accept exemptions in certain fields, such as agriculture, "(liberalization) in other fields may have to be expanded." Seki indicated that liberalization in the industrial field should be expanded so as to compensate for the delay in the agricultural field.

Moreover, he emphasized: "The APEC members are well advanced in formulating policies on investment liberalization, government procurement, and other issues, which the WTO failed to do." He added: "As one of their tasks, the APEC members aim at working out recommendations to be submitted at the WTO." His remarks indicate that in preparation for the WTO general meeting in Singapore next year, APEC members intend to raise concrete post-Uruguay Round issues and discuss them at the Osaka forum.

#### **Official: No Serious Conflict on Free Trade**

OW0911060495 Tokyo MAINICHI SHIMBUN  
in Japanese 6 Nov 95 Morning Edition p 3

[By Hidenobu Imamatsu]

[FBIS Translated Text] Singapore, 5 Nov — Seihiro Imanishi, director general of the Asia-Pacific Economic Cooperation [APEC] forum secretariat, recently met here with Sumihiko Yamano, editorial bureau director at MAINICHI SHIMBUN's head office in Osaka. Imanishi stated his opinion that at the 16 November forum, there will be no intensified confrontation between Japan and several other member nations on one side and the United States on the other on exclusion of agricultural products from trade liberalization. He also stated that the forum will probably agree to strengthen the Secretariat's functions for about three years: The number of staff members, including local ones, will be increased to 70 or 80; and the number of staff members from each member nation or territory will increase from one to two.

Since the APEC forum in Indonesia last year, about 70 meetings have taken place, ranging from high working-level consultations at the ambassadorial level to committee sessions. Imanishi speaks highly of measures taken by Japan to work out the host nation's draft proposal after soliciting opinions from various nations and territories. He also stated that no basic objections have been raised to the draft proposal, which includes plans for economic cooperation in 13 fields and for trade liberalization.

However, no conclusion has been reached on the conflict between the "comprehensive principle" of trade liberalization and the "nondiscrimination principle," which maintains that liberalization should apply to all nations and territories both within and outside the region, whether or not they will benefit. Stating his optimistic view of the comprehensive principle, Director-General Imanishi said, "I don't think it is a serious confrontation." He explained, "An accord was reached last year on comprehensive liberalization. One view is that if it does not apply to all fields, that should be clearly stated; the other view is that there is no need to write it down. Herein lies the confrontation. And we still have time before the forum."

#### **Ministries in Disagreement Over APEC Funding**

OW0911123495 Tokyo ASAHI SHIMBUN  
in Japanese 7 Nov 95 Morning Edition p 9

[FBIS Translated Text] The plan for the "Japan Fund," where Japan would provide 10 billion yen as operational funds to finance full-fledged regional cooperation in APEC, is up in the air due to questions about the source of the funds. While the Ministry of Foreign Affairs [MOFA] and the Ministry of International Trade and Industry [MITI] would like to allocate funds from FY95 reserves, the Ministry of Finance [MOF] strongly opposes this, calling it "illegitimate."

Japan wants to live up to its reputation as a major aid donor by providing assistance to the APEC secretariat, whose annual operating funds total only about 200 million yen. However, it is hindered by domestic coordination with the Osaka conference that opens on 15 November.

Each year APEC members contribute to the central fund managed by the secretariat (in Singapore). The total 1995 operating fund is \$3.07 million (around 310 million yen), and in 1996 members will contribute \$2.8 million in additional funding. The contribution ratios for Japan and the United States are the highest, at 18 percent, and while those for Thailand and the Philippines are the lowest, at 2.5 percent.



The main point of the "Japan Fund" plan is that Japan contribute to the secretariat 10 billion yen in funds intended exclusively for new cooperative projects related to APEC liberalization. The secretariat will be asked to manage the money separately from the central fund, which deals with continuing projects or general expenses. It would be best for Prime Minister Tomiichi Murayama, chairman of the APEC summit, to announce the plan, because it will financially support programs on regional cooperation. An accord on such cooperation is to be reached at the APEC conference in Osaka. MOFA and MITI have been eyeing the reserve funds, which would not affect ministry or agency budgets.

However, reserve funds are for emergency, obligatory expenses and are not appropriate for the APEC fund plan. For this reason, it has been suggested that MOFA and MITI pay for the 10 billion yen in funding by providing 2 billion yen from their general budgets each year for the next five years. Under this scenario, the two ministries would bear the burden themselves. Moreover, it is believed that "if Japan does not provide the total amount, it would give the impression of restricting financing and displease the United States" (according to a senior MOFA official).

A MOF official in charge coolly responded: "The idea of allocating the funds from reserves is simply ill-conceived. If they believe the policy is really necessary, they should present the plan to us fairly and squarely after reworking their FY96 budget requests." The only hope for MOFA and MITI is the political influence of Ryutaro Hashimoto, the current deputy prime minister and MITI minister who once served as finance minister. Even if the two ministries try to reverse the situation, a conclusion will likely be reached in Osaka, where many Kasumigaseki officials will gather.

#### **Outline of Osaka APEC Declaration Released**

*OW0911095995 Tokyo SANKEI SHIMBUN in Japanese 7 Nov 95 Morning Edition p 9*

[FBIS Translated Text] On 6 November, the outline of a declaration (Osaka Declaration) to be adopted at the Asia-Pacific Economic Cooperation (APEC) forum's Osaka conference on 19 November was released. The pillar of the declaration includes: 1) the steady implementation of an "action program"; 2) the improvement of infrastructure to make the energy supply system more in line with environmental protection; and 3) action to deal with food problems.

In particular, the outline notes that to maintain the Asia and Pacific regions' development, "It is most important to steadily and swiftly implement 'the action program'

aimed at promoting smooth liberalization of trade and investment." This is the highlight of the outline.

Moreover, as a global issue to be dealt with, it stresses the necessity to establish an effective and stable energy supply system more in line with environmental protection.

It has been pointed out that an energy shortage will be an issue in the near future in the APEC region, centered around Asian nations.

Meanwhile, in the region, air pollution problems, such as from sulfur, has become serious because environment-friendly energy supply systems have not been fully established. To maintain the region's development, the outline notes that priority should be given to solving these two problems.

Moreover, taking into consideration a population explosion and a drop in food productivity in the region, the outline notes that action will be taken to come to grips with food problems.

#### **Leaders at Osaka APEC Summit Profiled**

*OW0911043095 Tokyo KYODO in English 2347 GMT 8 Nov 95*

["APEC Leaders With Diverse Background To Assemble in Osaka"; 13th and last in a series on Osaka APEC talks]

[FBIS Transcribed Text] Tokyo, Nov. 9 KYODO — The following are profiles of selected APEC leaders who will attend the Nov. 19 informal summit in Osaka.

#### **Japanese Prime Minister Tomiichi Murayama**

#### **Murayama Faces Hard Task as APEC Chairman in Osaka**

Tomiichi Murayama will have to walk a tightrope in mid-November when he faces his biggest-ever diplomatic challenge since becoming Japan's prime minister in June 1994.

The 71-year-old Murayama is to preside over this year's informal summit meeting of the Asia-Pacific Economic Cooperation (APEC) forum in Osaka on Nov. 19, an occasion that will test his leadership at home and abroad.

The 18-member APEC is divided over whether to treat the agricultural sector as an exception to sweeping trade liberalization, so Murayama's ability as chairman will be a key to the successful conclusion of the Osaka gathering.

The most difficult aspect is that Japan itself — host of this year's APEC summit, to be preceded by a foreign



and trade ministerial meeting — is among those seeking to have agriculture exempted from trade liberalization due to strong pressures from domestic farmers.

As his Social Democratic Party and its largest coalition partner, the Liberal Democratic Party, are heavily dependent on the farm vote, the two parties' fate will depend on Murayama's handling of agricultural trade at the APEC talks.

He has been elected as a House of Representatives member from Oita prefecture, southwestern Japan, seven times since 1972.

Murayama was born in the prefecture as the son of a fisherman, and graduated from Tokyo's Meiji University. He was a member of the Oita Municipal Assembly and the Oita Prefectural Assembly before becoming a lower house member.

#### **Korean President Kim Yong-sam**

##### **Dissident Elected 1st Civilian President in 32 Years**

South Korean President Kim Yong-sam, 67, was elected as the first president with no military background in 32 years in a 1992 popular vote and took office in February 1993 as the nation's 14th president.

Since his inauguration, he has called for all-out efforts to build a new Korea through bold reforms to adapt to the fast-changing world order.

Kim has adopted buzzwords for the administration such as "change and reform," "strengthening international competitiveness" and "globalization," which he said aims to increase the nation's role in the world and create a better life for future generations.

Setting an example in pursuit of "clean officialdom," he voluntarily declared his own assets immediately after his inauguration and pledged that he would never accept any political financial contributions.

He entered politics in 1954 at the age of 25 in Koje, an island off the south coast in South Kyongsang province, becoming the youngest lawmaker, and set a record by being elected nine times to parliament before he voluntarily resigned his seat in 1992.

During the military dictatorship in the 1970s under president Park Chung-hee, he spearheaded movements for freedom and democracy with Kim Dae-chung, another dissident leader and his longtime political rival.

He also played an important role in leading nationwide protests in 1987, making the government of then president Chun Doo-hwan finally call for open presidential elections in the same year.

#### **Indonesian President Suharto**

##### **Peasant to President — Suharto's Humble Origins**

Indonesian President Suharto, the current chairman of the Asia-Pacific Economic Cooperation forum, rose to his nation's top position from humble beginnings.

Born June 8, 1921, in the village of Kemusuk near Jogjakarta, Suharto was the only son of a peasant couple. From the age of 15, he lived in the house of a faith healer, which some think accounts for his feeling for traditional Javanese mysticism.

As a young man, Suharto joined the Royal Dutch Indies Army in 1940, quickly becoming a sergeant, and during the Japanese occupation he was a volunteer in the Japanese military police.

He later led attacks against the Dutch during the struggle for independence after World War II and rose rapidly through the ranks.

On Oct. 1, 1965, Suharto took the lead in quickly crushing an attempted coup against the government of President Sukarno, subsequently blamed on the Indonesian Communist Party.

He took over as head of the armed forces, ended a confrontation with Malaysia and carried on a slow, patient but not entirely peaceful duel with Sukarno. On March 27, 1968, the People's Consultative Assembly "elected" him president.

In recent years he has been sounding increasingly Islamic, and he made his first-ever pilgrimage to Mecca in 1991.

Despite extolling secularism and suppressing Islamic fundamentalism throughout his career, he has been seen to court the Muslim lobby in order to counter the military.

The father of six children, Suharto enjoys his leisure time by playing golf, fishing or taking a resting at his family's farm a few kilometers from Jakarta.

#### **Philippine President Fidel Ramos**

##### **"Steady Eddie" Reverses Philippine Fortunes**

President Fidel Ramos is known in the Philippines as "Steady Eddie" and his trademark is the chomped, unlit cigar.

A former constabulary general, Ramos, 67, has gone from the battlefield to the helm of the Philippine Government after serving as former President Corazon Aquino's defense chief.



Many describe him as boring, but his key role in the 1986 peaceful revolt that drove the late president, Ferdinand Marcos, into exile shows he is capable of bold moves.

He has taken other bold strides on the economic front. His government has liberalized banking, foreign exchange, investment and trade and is credited with the Philippines' economic turnaround after decades of being the "sick man of Asia."

Ramos has been dubbed — and criticized — as the most traveled Philippine president. But he brushes off criticisms that the trips are junkets, and often refers to himself as the country's top salesman abroad.

The son of a former foreign minister and a teacher, Ramos is a known workaholic who stays late at the office but still manages to wake up at 4 A.M. to jog.

The discipline can probably be traced to his training at the U.S. military academy at West Point, and his 33 years in military and government service.

#### **Prime Minister Paul Keating**

##### **Keating the Key to Australia's APEC Position**

Prime Minister Paul Keating's unwavering support for the principle of comprehensiveness within the Asia-Pacific Economic Cooperation forum will be the key to his role at Osaka.

Keating, whose predecessor Bob Hawke was one of the initiators of the APEC concept in 1989, has been one of the most forceful supporters of a Pacific-rim free trade community.

"One of the strengths of Keating is as a person who generates ideas and advocates them effectively and forcefully," said Trade Minister Bob McMullan.

"He has a very good relationship with President Suharto, and I am sure that was a positive influence on the outcome last year. He had important discussions with Prime Minister Murayama this year which I expect to have a positive influence on the outcome."

In typical fashion, Keating has spoken straight to the point over the efforts of Japan and some other Asian nations to claim special treatment for agricultural products.

It is a stance he is holding to firmly.

"The effect of any APEC member excluding one sector from coverage of the free trade commitment would be that others would also look for exceptions.

"This would paralyze APEC," Keating argued.

"The Osaka meeting in November will be a real test of Japan's capacity to look beyond sectoral preoccupations and to give a lead to the countries of this region," he said.

With a federal election due before May 1996, Keating will doubtless use his performance in Osaka to show just how far Australia's place in the Asia-Pacific has been strengthened by this labor government.

#### **Singaporean Prime Minister Goh Chok Tong**

##### **Singapore Marks Growth in 1990s With Goh at Helm**

Singaporean Prime Minister Goh Chok Tong became prime minister in 1990 when Lee Kuan Yew retired from the premiership after three decades in power.

Since becoming premier, Goh has encouraged Singaporean companies to venture overseas to seek business opportunities so as to overcome the constraints of land and labor shortages as well as rising business costs at home.

The 54-year-old Goh has held various ministerial posts since 1979, namely minister for international trade and industry, minister for health, minister for defense and first deputy prime minister.

Goh started off his career as an administrative officer in the economic planning unit in 1964 after graduating from the then University of Singapore with a bachelor of arts in economics.

He obtained a master's degree in development economics from Williams College in the United States in 1967.

#### **Vietnamese 'Likely' To Join ASEAN in Osaka**

*OW0911004795 Tokyo YOMIURI SHIMBUN  
in Japanese 8 Nov 95 Morning Edition p 7*

[FBIS Translated Text] A government source disclosed on 7 November that an ASEAN economic ministerial meeting will be held in Osaka on 15 November, just before the opening of the APEC forum.

At the meeting, representatives from ASEAN member nations, which have been promoting liberalization in their own way, will confirm their stance toward the upcoming Osaka forum. Vietnam, the only ASEAN member that does not belong to APEC, will also participate in the conference. They are also considering meeting with Japanese International Trade and Industry Minister Ryutaro Hashimoto.

The same source said that in addition to ASEAN economic ministers, who will attend the Osaka APEC



forum, Vietnamese Commerce and Tourism Minister Le Van Triet is likely to join the meeting.

**Business Group Backs Mahathir's EAEC Concept**

OW0811150395 Tokyo KYODO in English  
1232 GMT 8 Nov 95

[FBIS Transcribed Text] Kobe, Nov. 8 KYODO — A leading Japanese business group expressed its support Wednesday [8 November] for the East Asia Economic Caucus (EAEC) proposed by Malaysian Prime Minister Mohamed Mahathir, business officials said.

The Japan Association of Corporate Executives (Keizai Doyukai) voiced its approval of the idea at a private-level business conference between Japan and the Association of Southeast Asian Nations (ASEAN), the officials said.

The conference, which opened here Wednesday, brought together economic leaders from Japan and ASEAN members Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

Keizai Doyukai Chief Jiro Ushio, in his address to the session, stressed the need for ministerial consultations on the Malaysian proposal among East Asian nations, including Japan, ASEAN members, China and South Korea, the officials said.

They said Keizai Doyukai and the ASEAN business leaders will make clear their views on the EAEC concept in a joint statement to be issued Friday.

The Japanese Government has withheld response to the Malaysian proposal and sought the participation of Australia and New Zealand.

Malaysia and some other Asian nations are aiming to form a consultative body only among East Asian nations.

**MOF Holds Two-Day Meeting Prior to APEC**

OW0911060395 Tokyo KYODO in English  
0514 GMT 9 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 9 KYODO — A former ranking Ministry of Finance [MOF] official told a symposium Thursday [9 November] that the yen ought to become a global currency.

Tomomitsu Oba, former vice finance minister for international affairs and currently head of the Japan Center for International Finance, said the yen should be used more to settle import and export payments. Foreign governments should also increase the ratio of yen holdings in their foreign reserve holdings, he said.

Oba was speaking on the first day of a two-day symposium held by the Finance Ministry on the theme of tariff

formalities and international economic issues, ahead of the Asia-Pacific Economic Cooperation (APEC) forum meeting in Osaka next week.

"I think Japanese banks are buying too many dollars," he said, noting that if more deals were made in yen, it would help lower the high rates that Japanese banks are being forced to pay in procuring funds overseas.

Mitsuo Sato, president of the Asian Development Bank, also made a keynote speech on the growing interdependence of economies in the APEC region.

The symposium was attended by about 1,100 tariff authorities and business officials from 13 countries and regions, including Japan.

Similar symposiums were held in the United States in 1993 and in Indonesia in 1994.

**Nosaka on Consequences of Eto's Korea Remarks**

OW0911040995 Tokyo KYODO in English  
0335 GMT 9 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 9 KYODO — Management and Coordination Agency Chief Takami Eto's alleged remarks justifying Japan's colonial rule of the Korean peninsula have brought "grave" consequences that need to be addressed as quickly as possible, a government spokesman said Thursday [9 November].

"The situation is grave. This is an international problem as well as a problem of the three ruling coalition parties," Chief Cabinet Secretary Koken Nosaka said in a brief exchange with reporters.

Nosaka said at a news conference later that the government will "draw a conclusion after careful study" about the nature of Eto's remarks, the ruling parties' opinions and South Korea's reaction.

But he remained noncommittal over when the government will make a final judgment on Eto's fate, saying only that a conclusion should be drawn "as soon as possible."

On Oct. 11, Eto told reporters off-the-record that during the 1910-1945 period of Japanese colonial rule of the peninsula, Japan "did some good things there" such as building schools, railroads and ports.

After South Korea's daily TONG-A ILBO carried an article on the remarks Wednesday, Seoul urged Tokyo to take appropriate measures against Eto.

Nosaka is expected to meet Eto later in the day to hear an explanation of the alleged remarks before deciding whether to fire him.



Eto said Wednesday he has no intention of resigning as cabinet minister. He also refused to comment on his remarks in Thursday's parliamentary session, saying, "I have no plan to answer questions about my off-the-record remarks in the Diet."

**'Sources': Decision on Eto's Fate Postponed**

OW0911131895 Tokyo KYODO in English  
1248 GMT 9 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 9 KYODO — Japan is likely to postpone a final decision until early next week on whether to fire a government minister following controversy sparked by remarks he made about Japanese colonial rule of the Korean peninsula from 1910 to 1945.

After trying to make a final judgment on Thursday [9 November] about Management and Coordination Agency chief Takami Eto, the government still feels the need to learn more about Seoul's reaction, government sources said.

Tokyo takes seriously the situation surrounding Eto as South Korean Foreign Minister Kong No-myong effectively urged his removal from the cabinet in a meeting Thursday with Japanese Ambassador to South Korea Shintaro Yamashita, the sources said.

The government is planning to send Foreign Minister Yohei Kono to Seoul possibly this weekend to hear more about South Korea's views, they said.

Chief Cabinet Secretary Koken Nosaka, the top government spokesman, met with Eto at Prime Minister Tomiichi Murayama's official residence to ascertain the facts over the remarks.

Nosaka told reporters, however, their talk did not lead the government to draw a conclusion. He also indicated the timing of a final judgment will be postponed until early next week.

On Oct. 11, Eto told reporters off-the-record that during the period of Japanese colonial rule of the peninsula, Japan did some good things there, such as building schools, railroads and ports.

After the South Korean daily TONG-A ILBO carried an article on the remarks on Wednesday, Seoul urged Tokyo to take appropriate measures against Eto.

The state minister retracted his remarks quickly, but the question of his resignation has since cropped up out of concern about a negative impact on Japan-South Korea ties.

After Thursday's meeting with Nosaka, the second since the revelation of his remarks, Eto refused to comment

on his possible resignation, saying only, "I will talk to you at a news conference if necessary."

On the substance of his talks with Nosaka, Eto replied, "I have no comment."

The Management and Coordination Agency chief had reiterated he has no intention to resign as a cabinet minister. He also refused to comment on his own remarks, because they were made off the record.

In a brief exchange with reporters, Murayama said the government is still trying to learn more about Eto's remarks.

A senior government official said Japan needs to settle the matter before the Asia-Pacific Economic Cooperation (APEC) forum's series of top-level talks begin in Osaka on Wednesday.

"APEC Osaka talks will be our time limit," the official said, on condition of anonymity.

Murayama is scheduled to confer with South Korean President Kim Yong-sam on Nov. 18, a day before the informal APEC summit.

Bilateral relations had shown signs of deterioration since Murayama sparked a storm of protest in South Korea last month with his remarks that the 1910 treaty under which Japan annexed Korea was concluded in a legally valid way.

**Tokyo-Seoul Summit Likely Before APEC Meeting**

OW0911142795 Tokyo NIHON KEIZAI SHIMBUN  
in Japanese 9 Nov 95 Morning Edition p 2

[FBIS Translated Text] On 8 November, plans were firmed up to hold a Japan-ROK summit meeting on 18 November in Osaka, prior to the informal meeting of leaders of the Asia Pacific Economic Cooperation (APEC) forum member countries on 19 November. The purpose of the summit talks is to swiftly restore Japanese-ROK ties which have become tangled over the issue of the legal validity of the Japan-ROK Annexation Treaty and controversial remarks by Takami Eto, director general of the Management and Coordination Agency, regarding Japanese colonial rule of the Korean peninsula from 1910 to 1945. It is also likely that Foreign Minister Yohei Kono will meet his ROK counterpart, Kong No-myong, on 15 November in Osaka prior to the bilateral summit meeting.

**NTT Criticized for Monopolizing Telecom Market**

OW0911142995 Tokyo KYODO in English  
1206 GMT 9 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 9 KYODO — A senior posts ministry official blasted Nippon Telegraph



and Telephone Corp. (NTT) Thursday [9 November] for keeping a dominant grip on Japan's telecommunications market.

In an open discussion organized by the deregulation subcommittee of the government's Administrative Reform Committee, Koji Hamada, chief of the posts ministry's telecommunications business department, said Japan "needs to reconsider the structure under which NTT dominates the market."

His remark was the first time that the Ministry of Posts and Telecommunications has publicly expressed a stand in favor of a long-simmering proposal to break up the telecom giant into regional telephone companies.

The debate was also attended by NTT President Masashi Kojima, Japan Telecom Co. President Koichi Sakata, Tokyo Telecommunication Network Co. President Kazuo Fujimori and other experts on the telecom matter.

Sakata told the meeting NTT should separate its long-distance telephone operations from its local telephone business operations, while splitting up its entire structure into some regional companies.

Kojima rejected the monopoly allegation, saying, "NTT is making efforts to open up its telecom network at all levels and is pushing rationalization efforts."

Sakata said, "Although NTT says it will open up its network to other telecom carriers to hook up the rivals onto the web, such a step would be insufficient" to allow real competition to take place on an equal footing.

He said real competition would be an impossibility unless the gigantic telecom company is split.

Fujimori concurred with Sakata and proposed dividing NTT into three regional companies.

Kojima refuted these assertions, saying NTT's excellent research and development capabilities are needed to prepare Japan for further developments in the multimedia industry.

He vowed to transform NTT's local telephone networks into a "common property" to be shared by NTT and its domestic rivals.

**Tokyo To File Report on Daiwa to Diet 10 Nov**  
*OW0911061595 Tokyo KYODO in English*  
*0451 GMT 9 Nov 95*

[FBIS Transcribed Text] Tokyo, Nov. 7 KYODO — The government will file a report on the Daiwa Bank scandal at a plenary session Friday [10 November] of the House of Representatives, officials said Thursday.

Lower house members will ask questions in response to the government report.

Daiwa Bank has been indicted in the United States on charges of covering up a \$1.1 billion loss one of its traders in New York incurred over a period of 11 years.

**Loan Write-Offs May Force Banks Into Red**  
*OW0811151095 Tokyo KYODO in English*  
*1207 GMT 8 Nov 95*

[FBIS Transcribed Text] Tokyo, Nov. 8 KYODO — Most Japanese major commercial banks are likely to fall into the red in the current business year to March 31 due to disposal of losses from the planned liquidation of ailing housing loan companies, industry sources said Wednesday [8 November].

Japan's 21 major commercial banks are now leaning toward writing off the losses all at once in the current year, instead of seeking their gradual disposal, the sources said.

If they implement write-offs all at once, this will likely force all seven trust banks and some of the 11 city banks and the three long-term credit banks into the red, they said.

In a related move, higher-ranking city banks plan to disclose the outstanding balances of restructured loans, including those to housing loan companies, when they announce their April-September first-half earnings results in late November, the sources said.

Major commercial banks initially sought to disclose restructured loan balances, starting at their announcement of full-year earnings for the current term to next March.

Restructured loans are those whose interest rates were cut to help reduce payment burdens of borrowers now facing financial difficulties.

The industry sources said major banks moved to step up disclosure of problem loans and their write-offs to demonstrate their resolve to restore global confidence in the stability of the Japanese financial system.

The moves are in line with the Finance Ministry's policy of having all major Japanese financial institutions dispose of losses related to housing loan companies all at once in the current year.

The ministry earlier studied the possibility of gradual write-offs, but growing criticism against its handling of the huge trading loss scandal at Daiwa Bank prompted the ministry to seek write-offs all at once, observers said.

At a press conference, Toru Hashimoto, president of Fuji Bank and chairman of the Federation of Bankers



Associations of Japan, said, "It is desirable for banks to write off losses from liquidation of housing loan companies all at once to restore global trust in the soundness of Japan's financial system."

"Fuji Bank will write off the losses all at once in the current year to next March, if the Finance Ministry reaches a conclusion by the end of this year on a liquidation scheme for housing loan companies," he said.

At the end of June, the 21 major banks' combined balance of loans to seven housing loan companies on the verge of collapse stood at about 5.05 trillion yen — 1.44 trillion yen from the 11 city banks, 1.51 trillion yen from the three long-term credit banks and 2.1 trillion yen from the seven trust banks.

Most of the loans extended by the 21 banks have become nonperforming, following the collapse of the speculation-driven "bubble economy" of the late 1980s, during which housing loan companies boosted their lending with loose screening.

Thanks to a fall in fund-raising costs amid Japan's easy-money policy to help lift the moribund economy, major commercial banks are expected to post record net business profits — profits from lending and other core banking businesses — in the current year.

But it would be difficult for many banks to offset huge liquidation losses, even if they use proceeds from sales of securities holdings, in addition to the record profits, industry sources said.

At Tuesday's news conference, Hashimoto said Fuji Bank has profits to cover losses from liquidation of housing loan companies.

Hashimoto, however, admitted his bank could fall into the red if other write-off costs were included.

According to an estimate by a bank, about 15 of the 21 banks will be forced to incur red-ink figures in the current year.

The combined balance of restructured loans at the 21 major commercial banks, meanwhile, is estimated at about 10 trillion yen, industry sources.

The 21 banks have already been disclosing the balances of loans to failed companies and loans whose interest payments have been suspended for six months or longer.

On the disclosure of restructured loans, some of the 21 banks are willing to make public their balances, starting with those as of the end of September, but others are reluctant to early disclosure, the sources said.

### Official Warns of 'Serious Budgetary Situation'

OW0911115595 Tokyo KYODO in English  
1119 GMT 9 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 9 KYODO — The Finance Ministry intends to show the increasingly severe financial conditions in Japan by unveiling next week an expected gap between revenues and expenditures for the fiscal 1996 budget, Vice Finance Minister Kyosuke Shinozawa said Thursday [9 November].

Shinozawa said at a news conference, "We want to win people's understanding about the serious budgetary situation through an early disclosure."

On Wednesday, Finance Minister Masayoshi Takemura said Japan will face a significantly large revenue shortfall in fiscal 1996, starting next April.

Next week, the ministry will present an estimate of revenues and expenditures for the next fiscal year, reflecting this year's tax revenues by September, Takemura said.

Shinozawa said that the revenue shortfall has grown, becoming a structural problem, and that the situation is getting clearer for the fiscal 1996 budget.

Shinozawa avoided making a definite comment, however, about the issuance of deficit-covering government bonds to bridge the expected revenue shortfall.

He only said, "It is not the right time to comment on the issue, as the ministry is now preparing its estimate."

Asked whether or not the ministry should be reorganized, Shinozawa responded negatively, saying, "under the present organization, we can communicate extremely well with each other among bureaus."

### Coalition Agrees on Extension of Diet Session

OW0711082095 Tokyo KYODO in English  
0756 GMT 7 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 7 KYODO — The tripartite ruling coalition agreed Tuesday [7 November] to extend the current extraordinary Diet session beyond Nov. 13 so that the parliament can pass amendments to the 1951 Religious Corporation Law, coalition sources said.

The secretaries general of the three parties — the Liberal Democratic Party, the Social Democratic Party and New Party Sakigake — met in the afternoon and decided that the coalition will decide on the extension issue by Friday, the sources said.

During a meeting Tuesday of a special House of Representatives panel on religious corporations, Prime Minister Tomiichi Murayama reiterated his call for Diet



passage during the current session of the government-sponsored amendment bill.

Murayama made the remark in response to Hajime Funada of the main opposition party Shinshinto (New Frontier Party), who objected to extending the Diet session.

The government has submitted to the Diet the measure to tighten controls over religious corporations in the wake of fatal sarin gas attacks, murders, kidnappings and other crimes allegedly committed by the religious sect Aum Shinrikyo.

Shinshinto is criticizing the bill as being aimed at hampering its main supporting group — the large Buddhist lay organization Soka Gakkai.

The Diet session that began Sept. 29 has passed the 5.3 trillion yen supplementary budget for fiscal 1995, paving the way for implementing record economy-stimulus measures aimed at lifting the economy out of its deepest postwar slump.

**Further on Hashimoto War Association Resignation**  
*OW0911044395 Tokyo NIHON KEIZAI SHIMBUN in Japanese 8 Nov 95 Morning Edition p 2*

[FBIS Translated Text] It was disclosed on 7 November that President Ryutaro Hashimoto of the Liberal Democratic Party [LDP] had resigned his post as chairman of the Japan War-Bereaved Association [JWBA], an organization that strongly supports LDP. It is extensively observed within LDP that Hashimoto's resignation aims at improving conditions for his becoming the prime minister in the near future.

In late October, Hashimoto himself orally informed senior JWBA executives of his intention to resign from the post and obtained their approval. Regarding the reason for his resignation, Hashimoto explained: "Since I have assumed the post of LDP president, I will probably cause the JWBA many inconveniences."

In August, many JWBA members intended to appeal to prevent the Diet from adopting a resolution on the 50th anniversary of the last war. And Hashimoto seems to have judged that his continuing service in the capacity as JWBA chairman may arouse friction with the ROK and China.

**Shinshinto's Ozawa Leaves Hospital**

*OW0911084495 Tokyo KYODO in English 0757 GMT 9 Nov 95*

[FBIS Transcribed Text] Tokyo, Nov. 9 KYODO — Ichiro Ozawa, secretary general of the main opposition Shinshinto (New Frontier Party), left a Tokyo hospital

Thursday [9 November] where he had spent six days after complaining of fatigue from overwork, his office said.

Ozawa will resume his party job Friday and visit Tochigi Prefecture, north of Tokyo, on Saturday to attend a meeting of the party's House of Representatives members, the office said.

He will also visit Saga Prefecture, southwestern Japan, next week to campaign in a House of Councillors by-election there.

Ozawa had previously suffered from heart trouble.

**Toyota President's PRC, Vietnam Agenda Cited**  
*OW0811140195 Tokyo KYODO in English 1326 GMT 8 Nov 95*

[FBIS Transcribed Text] Nagoya, Nov. 8 KYODO — The head of Japan's top automaker Toyota Motor Corp. will visit China and Vietnam next week for talks with government leaders on the company's automobile projects, company sources reported Wednesday [8 November].

The sources said Hiroshi Okuda, president of the company, is scheduled to leave Japan on Monday on a five-day tour of the two countries.

In China, Okuda plans to confer with high-ranking government officials and visit Tianjin Automobile Industrial Corp. which produces cars with technological assistance from Toyota's affiliate Daihatsu Motor Co., the sources said.

Okuda plans to discuss Toyota's proposal for joint production of 1.3-liter engines for the Chinese automaker, they said.

The Chinese automaker produces Daihatsu's "Charade" subcompact model and Toyota plans to produce engines for the car in a joint venture with Tianjin Automobile, they said.

General Motor Corp. of the United States has been selected as a partner for Shanghai Automotive Industry Corp. for joint automobile production.

Okuda's visit to Beijing follows a trip made by Honorary Chairman Eiji Toyoda in October for talks with President Jiang Zemin.

In Hanoi, Okuda will pay courtesy calls on Vietnamese leaders to express thanks for government approval of Toyota's joint venture with a state-run enterprise in the country, the sources said.



### North Korea

#### Daily Reacts to U.S. Defense Secretary's Remarks

SK0911060495 *Pyongyang KCNA in English*  
0518 GMT 9 Nov 95

[“NODONG SINMUN on U.S. Propaganda about ‘Missile Threat’ From DPRK” — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 9 (KCNA) — NODONG SINMUN today accuses U.S. Defense Secretary Perry of describing “conventional arms buildup” and “long-range missile development” of the DPRK as a threat to the Korean peninsula and Northeast Asia during his trip to South Korea.

The news analyst says:

What the U.S. has blamed on the DPRK has been used in most cases as an excuse to justify the reinforcement of U.S. Forces in the Korean peninsula and its vicinity and their new war preparations under the U.S. military strategy.

Perry said it is only the United States that has technological and moral strength to deter the missile threat increasing in Asia.

His talk about “technological and moral strength” of the U.S. against a fiction of threat reveals the ulterior intention of the U.S. to stifle the DPRK with strength.

The Korean people are constantly under the threat of aggression owing to the U.S. Forces’ presence in the Korean peninsula and its vicinity and their new war preparations. To provide against it, we cannot but build up our self-defensive military strength.

However loudly the U.S. may talk about “missile threat” from the DPRK, few will believe it.

The U.S. must realise that the more it slanders the DPRK for a sinister purpose, the poorer its position will be.

#### Defense Secretary Perry's Trip to Japan Viewed

SK0811103595 *Pyongyang Korean Central Broadcasting Network in Korean*  
1300 GMT 6 Nov 95

[FBIS Translated Text] According to reports, while voices are rising high among the Japanese people these days calling for the reduction and abolition of the U.S. military bases in Japan, senior officials of the U.S. military and the Japanese authorities held a series of conferences aimed at maintaining and strengthening the Japan-U.S. Security Treaty and the U.S. Forces in Japan.

U.S. Defense Secretary Perry, flying in to Tokyo, held talks with Japanese Foreign Minister Kono and Eto, director general of the Japan Defense Agency, on 1

November, and raved about the importance of continuously maintaining the Japan-U.S. security alliance for peace and security in the Asia-Pacific region as well as for security in Japan.

Perry also declared that the U.S. policy on stationing 100,000 U.S. troops in the Asia-Pacific region, including some 47,000 U.S. troops in Japan, remains unchanged.

In the talks with Japanese Prime Minister Murayama on the same day, Perry is reported to have shared the view with Murayama that the two sides ought to issue a strong statement stressing the importance of the Japan-U.S. security alliance at the forthcoming Japan-U.S. summit talks.

Then, Perry held a news conference at the Japanese National Press Club, and reiterated that the U.S.-Japan alliance will remain the foundation of and a link for the security in the Asian region and the security strategy of the United States. He openly declared that while tension was strained on the Korean peninsula last year, the U.S. Forces set up measures to cope with it by fully utilizing the advantages of the Marine Corps and the Air Force bases in Okinawa, thus revealing their scheme to use Okinawa as a forward base and an offensive base for the provocation of a new war of aggression on the Korean peninsula.

Prior to this, on 31 October, the chairman of the U.S. Joint Chiefs of Staff and the Japanese foreign minister held talks at the Japanese Foreign Ministry. At the talks, the chairman of the U.S. Joint Chiefs of Staff stressed that there is sufficient room for further strengthening the U.S. military bases in Okinawa. At this, the Japanese foreign minister stated that the Japanese Government’s position to maintain bilateral security alliance with the United States remains unchanged and consistent.

#### Joint Security Consultative Meeting Denounced

SK0811150595 *Pyongyang Korean Central Broadcasting Network in Korean*  
1225 GMT 8 Nov 95

[NODONG SINMUN 8 November commentary: “Dangerous Military Conference Between the Master and the Stooge”]

[FBIS Translated Text] The 17th Military Committee and the 27th Annual Security Consultative Meeting between the United States and the South Korean puppets was held in Seoul recently.

During the recent conference held under a stereotypical pretext of military threat from the North, the U.S. and South Korean military leaders discussed the issue on arms buildup including rapid deterrent combat power



to cope with an emergency on the Korean peninsula; the issue on continuous provision of nuclear umbrella to South Korea by the United States; the issue of maintaining the Armistice Agreement, and the issue of increasing the expenses for maintaining U.S. Forces.

By loudly talking about increased conventional offensive power in the North, the development of mass destructive weapons, and so forth, they worked out a criminal plan to stage annual a U.S.-South Korea joint military exercise, other than the Team Spirit joint military exercise.

The United States and the South Korean puppets held such a dangerous military conference amid gun fire of the Foal Eagle-95 war game against our Republic. We cannot just remain an onlooker to this.

The United States and the South Korean puppets conspired to increase the aggressive forces in South Korea and to stage a new war game, other than the Team Spirit war exercise, on the pretext of nonexistent military threats from the North and of development of mass lethal weapons. This is a violent challenge and grave provocation against us who are making all possible sincere efforts for peace and peaceful reunification.

The military threat on the Korean peninsula comes from the South toward the North. Even at this moment, the Foal Eagle-95 war game, a replica of the Team Spirit northward aggressive war exercise, is being frantically staged in South Korea, and because of this, threat of invasion against our Republic has reached an extreme point.

This being the very reality, how can the preposterous sophism that South Korea is threatened by the North work with anyone?

The military threat by the North propagandized by the United states and the South Korean puppets is a most nonsensical sophism designed to legalize their adventurous military commotions against our Republic and continuous occupation of South Korea by U.S. Forces.

During the recent conference, the United States promised to continually offer the nuclear umbrella to South Korea and to increase rapid deterrent forces intended for an emergency on the Korean peninsula, and decided to stage a new annual joint military exercise, other than the Team Spirit war exercise. This conference is an extension of the Cold War policy for crushing our Republic by means of force, and is conspiracy of bellicose elements to further accelerate war preparations on the Korean peninsula. This goes counter to the spirit of the DPRK-U.S. framework

agreement which officially pledged to suspend hostile acts against us and to improve relations with us.

During the recent conference, the U.S. military leaders raved that they should maintain the Armistice Agreement until the armistice system is turned into a peace regime through direct dialogue between North and South Korea. This should not be overlooked.

The U.S. attempt to bring the South Korean puppets, who are not entitled at all, to the issue of turning the armistice system into a peace regime, is a tactic to continually maintain belligerent relations with us.

It is a fact known to the world that the Korean Armistice Agreement now remains only in name, which cannot be rehabilitated nor revived, owing to destruction maneuvers by the United States and the South Korean puppets. Therefore, with the present armistice system, we cannot prevent even a minor armed crash, apart from outbreak of a war. Nevertheless, the United States, ignoring our proposal for establishing a new peace insurance system, is insisting on the outdated armistice system. Furthermore, the United States is attempting to drag even the South Korean puppets into this system. This is a contemptible act of evading the responsibility, showing that dialogue, cooperation, and so forth raved about by them, are merely a smoke screen to deceive the world's public opinion.

The attitude toward our proposal for establishing a new peace insurance system is a touchstone discriminating the position of war from that of war. It is now time for the United States to ponder what consequences will be brought about when it continues assuming the insincere attitude toward our proposal for establishing a new system ensuring peace and when it continues to act to apply the brake on the proposal.

What is furthermore detesting is the spiritless act of the Kim Yong-sam group which asked for the permanent stationing of aggressive forces during the recent conference even by voluntarily accepting 10 percent increase each year in sharing the expenses for maintaining U.S. Forces. After becoming the war servant of the aggressors, running amok to drive the nation into nuclear calamity, the Kim Yong-sam group is asking for harming the fellow countrymen even by offering an enormous amount of money consisting of the people's blood and sweat. Is there any other group of such vicious nation-selling flunkeyists, national traitors, and war lunatics than the Kim Yong-sam group?

Because of the adventurous war commotions by the U.S. imperialists and the South Korean puppets, the situation on the Korean peninsula is dashing toward the phase of



acute confrontation before the adoption of the DPRK-U.S. agreed framework.

There is no guarantee whether the dangerous war conference between the master and the stooge, held at a time when the whole land of South Korea is engulfed in the reek of powder by the provocative Foal Eagle-95 war exercise aimed at northward invasion, will not lead to the lighting of the fuse for starting a war of northward invasion.

We are heightening vigilance against the reckless military commotions by the U.S. imperialists and the South Korean puppets. The warmongers will be held totally responsible for the grave consequences of their criminal act of leading the situation on the Korean peninsula to the brink of a war.

#### **'Foal Eagle 95' Military Exercise Criticized**

*SK0911090495 Pyongyang KCNA in English  
0826 GMT 9 Nov 95*

["NODONG SINMUN Raps at 'Foal Eagle' Exercise" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 9 (KCNA) — The joint military exercise "Foal Eagle 95," which is being staged by the U.S. imperialists and the South Korean puppets, is little different from the anti-North test nuclear war manoeuvres "Team Spirit", which had been staged every year in South Korea, says NODONG SINMUN in an article today.

The "Foal Eagle 95" is as large as the "Team Spirit" in view of the number of the participants in the exercise who are enough to launch a war, the nature of the exercise involving "landing operation" and other offensive operations and its purpose for a surprising attack on the North, the paper says, and continues:

In a "white paper" of the puppet Defense Ministry on October 8, the Kim Yong-sam group made an official announcement that the "Team Spirit" would not be staged this year for a "solution to the nuclear issue" in the Korean peninsula and for the "improvement of inter-Korean relations." The announcement was, however, apparently aimed at concealing such criminal acts of the bellicose elements as driving the situation of the country to the brink of war in league with outside forces and continuing provocative war gamble against the North by changing its name.

In a nutshell, the aggressive nature of the war gamble against the North remains unchanged. What changed is only the name of the manoeuvres.

We take a serious view of the fact that the United States, which is giving lip-service to "peace" and "solution

to the nuclear issue" in the Korean peninsula and "improvement of DPRK-U.S. relations," are staging another "Team Spirit," that is the "Foal Eagle 95" exercise, with the puppets.

The United States, ignoring our proposal for ensuring a durable peace, are hell bent on the war gamble against the north of Korea, changing the name of the aggressive exercise. By doing so, it is betraying the spirit of the DPRK-U.S. agreed framework and also revealing that there has been no change in the U.S. aggressive design.

The Kim Yong-sam group of traitors must promptly stop the reckless military exercise they are staging with outside forces, clearly mindful that such a war gamble will bring them nothing but a bitterer denunciation by the fellow countrymen and the world people and an earlier destruction.

#### **Report on U.S.-ROK Military Exercises**

*SK0911050995 Pyongyang KCNA in English  
0435 GMT 9 Nov 95*

["Military Exercise Against the North" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 9 (KCNA) — The U.S. imperialists and the South Korean puppets staged a joint air war exercise on November 5 and 6 in the sky above Wonju, Tokjok Islet and Samchok to increase the capacity of surprisingly attacking the North of Korea, military sources said.

The exercise involved scores of fighter-bombers from U.S. overseas military bases, carrier-based assault planes and more than 780 fighter planes belonging to the U.S. Seventh Air Force in South Korea and the South Korean puppet air force.

Meanwhile, an overseas-based RC-135 strategic reconnaissance plane flied for hours along the Military Demarcation Line from the West Sea [Yellow Sea] to the East Sea [Sea of Japan] of Korea on the 6th for electronic espionage and photographing on the whole areas of the North.

On the same day, heavy tanks of the puppet army deployed in Paju County, Kyonggi Province, moved towards the Military Demarcation Line areas, firing more than 100 shells.

That day, puppet army soldiers fired 900 odd shells and bullets towards areas adjacent to the demilitarized zone from Paju and Yonchon Counties, Kyonggi Province, and Inje County, South Korean Kangwon Province.



**Daily Demands South Apologize for Usong Incident**

*SK0911083795 Pyongyang KCNA in English  
0817 GMT 9 Nov 95*

[“Just Demand” — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 9 (KCNA) — Crewmen of the South Korean fishing boat “86 Usong,” which illegally intruded deep into the territorial waters of the northern half of Korea before being apprehended, expressed bitter indignation at the deeds of the South Korean authorities in using them as political sacrifices for confrontation with North Korea and demanded that the South Korean authorities admit and apologize for their crime.

Pointing out that this is a very just demand, an analyst of NODONG SINMUN today says:

As was clarified, the case of the boat “86 Usong” did not occur in the high seas but resulted from its illegal deep intrusion into the territorial waters of the North. It is the South Korean puppets who wirepulled the illegal intrusion by radio from the outset. Accordingly, the South Korean authorities should have admitted and apologized to our Republic for their crimes. However, the Kim Yong-sam group is zealously kicking up a confrontational row against the North, unreasonably charging it with “interning” the boat. They remind one of a burglar sounding the burglar alarm.

There is no change in our stand that we will deal with the boat “86 Usong,” which was apprehended for its illegal intrusion into our territorial waters, according to our law.

The South Korean rulers would be well advised to discard their intention to use the case of the boat “86 Usong” for their sinister political purpose, and admit and apologize for their anti-national, anti-reunification crimes at once.

**South Groups Demand Thorough Investigation**

*SK0911090195 Pyongyang KCNA in English  
0809 GMT 9 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 9 (KCNA) - South Korean opposition parties, citizens and labor organizations are strongly demanding a strict investigation into the secret fund of the traitor No Tae-u and the “presidential election” fund of the traitor Kim Yong-sam, according to radio reports from Seoul.

On November 7, the National Congress for New Politics said that the prosecution’s investigation is being conducted in a forcibly adjusting way.

The traitor Kim Yong-sam’s remarks that he received not a penny of “presidential election” support fund,

in fact, provided the prosecution with a guideline for investigation, the National Congress said, stressing: The prosecution must make a thorough investigation into the “presidential election” fund of Kim Yong-sam till the people fully understand it.

The spokesman for the National Congress in a commentary demanded that the prosecution make a simultaneous investigation into the scandal of the traitor No Tae-u and “presidential election” support fund.

On November 7, the Democratic Party held a general meeting of its “National Assemblymen”, in which it said that the present “regime” is revealing its intention to hush up the illicit money-making of No Tae-u and decided to begin rallies against the secret fund scandal at a lecture on the situation slated for November 11.

The Citizens Federation for Economic Justice in a statement on November 7 urged the traitor Kim Yong-sam to make public the “presidential election” support fund of his own accord.

The Committee for the Promotion of the Signature Campaign of Union Representatives for the Enactment of a Special Law on the May 18 Incident involving more than 100 trade unions in financial and public domains made public a statement on November 7.

**French Paper Cited on South ‘Development Model’**

*SK0811102795 Pyongyang KCNA in English  
0840 GMT 8 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 8 (KCNA) — The French paper LE MONDE November 2 carried an article titled “South Koreans Are Doubtful of Their ‘Development Model’”.

The paper said that with the wrongdoings of the traitor No Tae-u in his years of office laid bare recently, many problems concerning “development model” have been raised in South Korea.

No admitted that he amassed secret fund amounting to 654 million dollars while in power, sparking deep-rooted crisis of non-confidence, said the paper.

Exposing misdeeds conducted by successive “presidents” of South Korea, the paper said that though Kim Yong-sam is claiming that he has never got illegal political fund, he received a large amount of money from No at the time of the 1992 “presidential election.”

Elaborating on large accidents which have occurred one after another from 1993 in South Korea, the paper said the tragic disasters have made the South Korean people ask themselves what the “development model” seeks.



The unbroken chain of large accidents has given a stern judgement to the "development model" chosen by South Korea. And the authorities' defending the chief culprits of the Kwangju bloodbath in 1980 throws shadow over the fate of the "regime".

**Daily Carries Poem Written by South Korean**

*SK0811102495 Pyongyang KCNA in English  
0850 GMT 8 Nov 95*

["My Homeland Singing of the Sun" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 8 (KCNA) — NODONG SINMUN October 20 carried a lengthy poem "Song of the Sun" written by Yu Hak-chol, member of the Seoul-based Society of the Sun.

The poem represents the feelings of the South Korean people revering respected General Kim Chong-il as the great sun.

NODONG SINMUN today carries an article headlined "My Country in Which Song of the Sun Echoes" in response to the poem.

In the article the paper calls on all the people who love the nation and want to glorify Korea to follow General Kim Chong-il, the greatest man, holding the fatherly leader President Kim Il-song in high esteem for all ages. This is a call of Tangun Korea's 5,000-year-long history and the 70 million fellow countrymen are responding to this call, says the paper.

Guided by respected General Kim Chong-il, the paper notes, our nation has been blessed with great leaders through generations.

Our people take after General Kim Chong-il in ideology, morality and personality, the paper says. He has reared our people to be chuche-type human beings with his outstanding ideas, theories, leadership ability, noble virtues and warm love.

In "Song of the Sun" the South Korean patriotic-minded poet said the South Korean people are as ardent as the fellow countrymen in the North in revering the sun. The barrier of division has already been pulled down in the minds of the 70 million fellow countrymen in the North and the South, who are following the great general as the sun, says the paper.

Following him as the sun is greatest glory and happiness not only for the Korean people but for all the peoples of the world, the paper says. As the South Korean poet said, the respected general is the sun of Korea and is also the sun of our planet.

The song of the sun sung by our people is a song of firm faith and solemn pledge of the Kim Il-song nation to carry forward the cause of the sun through generations, the paper stresses.

**South Koreans Reportedly Praise Kim Chong-il**

*SK0811094895 Pyongyang KCNA in English  
0829 GMT 8 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 8 (KCNA) — South Korean people are ardently revering the great leader Comrade Kim Chong-il, praising him as a great thinker and theoretician, said Seoul-based radio Voice of National Salvation.

The members of the Society of Independence held a seminar on the famous work of Comrade Kim Chong-il "On the Chuche Idea" on October 25, said the radio quoting the Kwangju city committee of the National Democratic Front of South Korea (NDFS) in its information.

They said at the seminar that the work is a monumental famous work of the time which contains new philosophical principles and fundamentals of shaping the destiny of man.

Prof. Kim Man-sok concluded the seminar, saying:

"On the Chuche Idea" is, indeed, an imperishable treasurehouse of ideologies and theories and an encyclopedia for the present times and eternal future of humankind.

The leader Kim Chong-il, who authored the work greatest ever in history of human thought, is the most outstanding philosopher and the greatest thinker and theoretician in history of human thought.

Meanwhile, Prof. Yi Myong-chin wrote an article after reading the work of Comrade Kim Chong-il "Giving Priority to Ideological Work Is Essential for Accomplishing Socialism."

He said in the article:

The leader Kim Chong-il, a great thinker and theoretician, said in the work that only when the people are armed with the socialist idea and the ideological bastion of socialism is strengthened, is it possible to consolidate and develop socialism and steadfastly defend it.

The North's socialism that has emerged victorious, undaunted by any storms, vindicates the great idea of the leader Kim Chong-il again.

A worker Pak Hyon-sok said about the work:

No country and no man gave a clear-cut exposition of the importance, essence and ways of ideological work.



The work is an immortal one which can be written only by the great leader Kim Chong-il, a great master of the chuche idea.

**Daily on Japan's Role in 'New Order' in Asia**

*SK0811102195 Pyongyang KCNA in English*  
*0833 GMT 8 Nov 95*

["Japanese Reactionaries' Design To Dominate Asia Under Fire in NODONG SINMUN" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 8 (KCNA) — The Japanese militarists are getting undisguised in their scheme to become the leader of Asia and dominate it.

Commenting on this, the author of a NODONG SINMUN article today says:

The Japanese reactionaries insist that to establish a "new order" in Asia is an important duty assigned to Japan after the Cold War and "Japan should play a leading role in establishing a new Asian order."

This is, in essence, a militaristic doctrine of domination over Asia.

The "establishment of a new Asian order" on the lips of the Japanese militarists is aimed at realising the old dream of the "greater East Asia coprosperity sphere", which old Japan failed to attain.

The Asian people are following with sharp vigilance moves of Japan, which refuses to break with the wrong past, embellishing the history of aggression. They do not want Japan to take "responsibility" for the affairs in Asia.

Conservative Japanese circles are claiming that it is difficult for Asian nations to live without the "help" of Japan. This is the height of folly.

Japan need not take responsibility for the peace in Asia and its development.

The Japanese reactionaries are clamouring about the "responsibility" and "role" of Japan in the Asia-Pacific region, in an attempt to realise big-powerism, styling itself as a big power.

However, they made a wrong calculation.

The Asian people today are not what they were yesterday.

The Japanese reactionaries should discard the anachronistic design of domination over Asia.

They would be well advised not to turn a deaf ear to the advice of the times.

**CHOSON SINBO Group Arrives From Japan**

*SK0811041995 Pyongyang KCNA in English*  
*0310 GMT 8 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 8 (KCNA) — A delegation of the CHOSON SINBO newspaper office of the General Association of Korean Residents in Japan (Chongnyon) led by its editor-in-chief Choe U-kyun arrived here on Nov. 7 to participate in the functions to commemorate the 50th anniversary of NODONG SINMUN.

**Thai Party Delegation Arrives in Pyongyang**

*SK0811103395 Pyongyang KCNA in English*  
*0916 GMT 8 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 8 (KCNA) — A delegation of the Palang Dharma (Righteous Force) Party of Thailand led by its deputy leader Krasae Chanawong Se [name as received] arrived here today.

Secretary of the C.C. [Central Committee], the Workers' Party of Korea Hwang Chang-yop greeted the delegation at the airport.

**Visits Kim Il-song Statue**

*SK0911060195 Pyongyang KCNA in English*  
*0439 GMT 9 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 9 (KCNA) — The delegation of the Palang Dharma (righteous force) Party of Thailand led by its deputy leader Krasae Chanawong laid bouquets of flowers and made a bow before the statue of the great leader President Kim Il-song on Mansu Hill.

**Hwang Chang-yop Hosts Reception**

*SK0911064995 Pyongyang KCNA in English*  
*0507 GMT 9 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 9 (KCNA) — The Workers' Party of Korea Central Committee [C.C.] gave a reception for the delegation of the Palang Dharma (righteous force) Party of Thailand led by its deputy leader Krasae Chanawong on Nov. 8.

Secretary Hwang Chang-yop of the C.C., the Workers' Party of Korea [WPK] said in his speech that the Thai people today are registering a great success in the struggle for democratic development and stability of the country and in the building of a new society. He went on:

"This success is unthinkable but for the role of the Palang Dharma (righteous force) Party taking part in the government work of Thailand.



"We appreciate democratic and independent policy of your party and your activities to realise it and wish you a greater success in the future work.

"The WPK and the Korean people will continue to develop the friendly and cooperative relations with your party and Thai people under the idea of independence, peace and friendship and make every effort for peace and security in Asia and common prosperity of Asia in the future, too."

The head of the Thai delegation said in his speech that they have ardently revered his excellency the great leader President Kim Il-sung and that they express deep regret over his death once again through this visit.

He continued:

"The 50-year long history of the WPK since its foundation is a history of hard yet triumphant struggle for defence of the independence of Korea and happiness of the people.

"We have been interested in the chuche idea and the reunification problem of socialist Korea and hope that you will get success in the work to realise the reunification of Korea.

"One of the objectives of our visit is to actively support and encourage the struggle for reunification of the Korean people.

"Socialist Korea is a close, fraternal country of Thailand.

"We will inform our people about the great love for the country and people of his excellency the respected leader President Kim Il-sung and his excellency the dear leader Kim Chong-il of the Korean people."

#### **Talks Held With WPK**

*SK0911091895 Pyongyang KCNA in English*  
0852 GMT 9 Nov 95

[FBIS Transcribed Text] Pyongyang, November 9 (KCNA) — A delegation of the Workers' Party of Korea [WPK] had talks with the visiting delegation of the Phalang Tham (Righteous Force) Party of Thailand here today.

Present on the WPK side were Secretary of the WPK Central Committee Hang Chang-yop and officials concerned and on the opposite side were the members of the delegation led by deputy leader of the party Krasae Chanawong.

The sides informed each other of their parties' activities and discussed the development of friendly and cooperative relations between the two parties and two countries.

The talks took place in a friendly atmosphere.

#### **Greetings Sent to Cambodia on Anniversary**

*SK0811102595 Pyongyang KCNA in English*  
0835 GMT 8 Nov 95

[FBIS Transcribed Text] Pyongyang, November 8 (KCNA) — The Central People's Committee of the Democratic People's Republic of Korea sent a message of greetings to Norodom Sihanouk, king of Cambodia, on the occasion of the 42nd anniversary of the independence of Cambodia on November 8.

The message noted that the fraternal Cambodian people have overcome all kinds of historical trials over the past decades, achieved independence of the country and made great progress in the struggle for defending sovereignty.

The message stressed that the Korean people have always been deeply interested in the struggle of the Cambodian people for building a new society and extended full support and firm solidarity for their just cause.

The message expressed the belief that the traditional excellent relations of friendship and cooperation between the two countries and the two peoples will continue to strengthen and develop.

#### **PRC, UN Children's Fund Groups Arrive**

*SK0811103195 Pyongyang KCNA in English*  
0917 GMT 8 Nov 95

[FBIS Transcribed Text] Pyongyang, November 8 (KCNA) — A delegation of the Shanghai Institute of International Studies of China led by its Director Chen Peiyao and a delegation of the U.N. Children's Fund arrived here today by air.

#### **WPK Sends Greetings to Swedish Party Head**

*SK0911102395 Pyongyang KCNA in English*  
1014 GMT 9 Nov 95

[FBIS Transcribed Text] Pyongyang, November 9 (KCNA) — The Central Committee of the Workers' Party of Korea [WPK] sent a message to Rolf Hagel [spelling of name as received] on November 7, congratulating him on his election as chairman of the Communist Party of Sweden.

Expressing the belief that relations between the two parties will develop favourably, the message wished him great success in his responsible work for socialism, peace and the strengthening and development of the party.



**Latin American Parties Condemn Exercises**

SK0811102395 *Pyongyang KCNA in English*  
0845 GMT 8 Nov 95

[FBIS Transcribed Text] Pyongyang, November 8 (KCNA) — Resident representatives in Cuba of the Salvadoran Farabundo Marti National Liberation Front, communist parties of Dominica, Paraguay and Argentina, the revolutionary unity of Guatemala and the radical cause of Venezuela issued a joint statement on November 3 condemning the military exercises of the U.S. imperialists and the South Korean puppets.

While staging the "Foal Eagle 95" joint military exercise with the United States, the South Korean authorities have started another exercise codenamed "Hwarang" to render the situation of the Korean peninsula extremely strained, the statement said, and continued:

This is an undisguised perfidy to the DPRK-U.S. framework agreement and a dangerous act to drive the situation of the peninsula to the brink of war and turn back the world situation to the phase of the Cold War.

The United States and the South Korean authorities must clearly see the universal trend, promptly stop powder-reeking manoeuvres in keeping with the will and demand of the world peaceloving people and renounce the policy of strength they are pursuing through the active moves to organise a triangular military alliance involving the U.S., Japan and South Korea.

**Guinean President Gives Thanks for Help**

SK0811102295 *Pyongyang KCNA in English*  
0842 GMT 8 Nov 95

[FBIS Transcribed Text] Pyongyang, November 8 (KCNA) — Lansana Conte, president of Guinea, noted with great satisfaction that crops have been ruling good on the Koba farm with help from agro- technicians of Korea.

Looking round the fields of the farm in Dubreka prefecture together with the head of the agro-technical cooperation delegation of Korea on October 30, the president said:

I congratulate the agro-technicians of Korea on this good crop condition.

In Guinea such good crop condition as this could not be seen.

I express deep thanks to His Excellency Kim Chong-il, the supreme leader of Korea, for sincerely helping Guinean agriculture.

**Kim Chong-il Thanks Students for Construction**

SK0811041295 *Pyongyang KCNA in English*  
0302 GMT 8 Nov 95

[FBIS Transcribed Text] Pyongyang, November 8 (KCNA) — The great leader Comrade Kim Chong-il sent thanks to Kim Il-song university and other universities in Pyongyang, the state education commission, the associated bureau of the construction of capital and other units, Choe Myong-hui, director of the publishing shop of Pyongyang university of medicine, Kim Yun-hwa, student of Kim Hyong-chik university of education, and other officials, working people and students for their active contribution to the construction of Hungbu-Yonmot-tong road, which was newly built in Pyongyang.

He also sent thanks to chief of Tong office Kang Chang-ok, secretary of the Primary Party Committee Pak Chun-sil and residents of Haebangsan-tong, central district, Pyongyang, soldiers of the Chong Song-to unit of the Korean People's Army and officers families, other officials, working people and soldiers and their families for their good services for society and the collective.

**Kim Chong-il Appreciates 'Financial Dictionary'**

SK0911055295 *Pyongyang KCNA in English*  
0428 GMT 9 Nov 95

[FBIS Transcribed Text] Pyongyang, November 9 (KCNA) — The great leader Comrade Kim Chong-il sent thanks to the lexicographers who published "Financial Dictionary" on the occasion of the 50th anniversary of the Workers' Party of Korea.

The lexicographers including scholars of the Socialist Economy Management Institute of the Academy of Social Sciences, Kim Il-song University, the University of National Economics, Chong Chun-taek University of Economics and the Finance Ministry wrote manuscripts of over 21,000 pages and successfully compiled a grand dictionary as an asset to the nation in a short period.

**Kim Chong-il Thanks Broadcasters for Propaganda**

SK0911065095 *Pyongyang KCNA in English*  
0509 GMT 9 Nov 95

[FBIS Transcribed Text] Pyongyang, November 9 (KCNA) — The great leader Comrade Kim Chong-il sent thanks to Han Song-hui, a reporter of the DPRK Radio and TV broadcasting Committee, Yong Chon-suk, an announcer of the House of Culture in Nangnang district, Pyongyang, and Yi Mun-pom, a subworkteam leader of the Tohyon cooperative farm in Pyoksong County, South Hwanghae Province and concurrently a



peasant correspondent, for setting examples in broadcasting propaganda.

They have made active contributions to arousing the party members and working people to the struggle for socialist economic construction with the writing-brush and the microphone under the leadership of the party.

The thanks were conveyed at the National Meeting of Broadcasting Workers on November 8.

#### **Kim Chong-il Sends Birthday Tables**

*SK0911102795 Pyongyang KCNA in English  
1023 GMT 9 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 9 (KCNA) — The great leader Comrade Kim Chong-il sent a birthday table on Tuesday [7 November] to academician, Prof. and Dr. Kim Sok-hyong, president of the Academy of Social Sciences, on his 80th birthday.

He was born in Taegu, North Kyongsang Province, South Korea, and could not enjoy a worthy life until he was under the warm care of the great leader President Kim Il-song.

Under the loving care and trust of President Kim Il-song, he worked as the first dean of the History Department of Kim Il-song University, director and advisor of the Institute of History of the Academy of Social Sciences.

Kim Sok-hyong, recipient of the Order of Kim Il-song and the Kim Il-song Prize, made contributions to the development of the social sciences of the country by writing a lot of history books including "History of Military System in the Yi Dynasty" and "Complete History of Korea".

Comrade Kim Chong-il also sent a centenary table to Pak Hyon-hwa, an old woman in Tongsang-tong No.1, Mangvongdae District, Pyongyang, on the same day.

#### **Yi Chong-ok at Seminar on Kim Chong-il's Work**

*SK0911060395 Pyongyang KCNA in English  
0448 GMT 9 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 9 (KCNA) — A national seminar on the work of the great leader Comrade Kim Chong-il "The Workers' Party of Korea [WPK] Is the Party of the Great Leader Comrade Kim Il-song" was held in Pyongyang on November 8.

Present at the seminar were Yi Chong-ok, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and vice-president, Hwang Chang-yop, secretary of the WPK Central Committee, and officials concerned, officials of the party cadres training centres, men of science, education, literature

and art, the press and workers of revolutionary sites preservation and management, officials of central state organs and party and working people's organisations in Pyongyang.

Speakers said that the work is a precious fruition of the extraordinary ideological and theoretical activities and practical activities of dear Comrade Kim Chong-il who is creditably carrying forward and accomplishing the revolutionary cause of the great leader Comrade Kim Il-song with his noblest moral obligation.

Respected Comrade Kim Chong-il, they noted, in his work all-roundly reviewed the glorious and brilliant history covered by our party under the wise leadership of the great leader Comrade Kim Il-song and indicated a clear-cut way to strengthen and develop the Workers' Party of Korea forever as the party of Comrade Kim Il-song.

The work clarifies the most brilliant exploits of the fatherly leader Comrade Kim Il-song who founded the immortal *chuche* idea and built a new revolutionary party of a *chuche* type guided by the *chuche* idea, the first of its kind in the history of the communist movement, and expounds a scientific and unique idea and theory that to build such a party is the basic orientation of revolutionary party building in the era of independence, said speakers.

The work, they stressed, is an encyclopedic document which gives an overall exposition of the basic principles of party building and all other theoretical and practical questions arising in the building of a revolutionary party in the era of independence,

Speakers proved that the idea and theory of *chuche*-based party building which were founded by the fatherly leader and have been developed and enriched by respected General Kim Chong-il are the idea and theory which should be thoroughly applied to party building and party activities of the working class in our times.

The basic principle that should not be violated at all in building and developing the working-class party is to invariably defend the character of the leader's party and maintain close ties of kinship with the popular masses, they said, and pointed out: The idea and theory of *chuche*-based party building are encyclopedic ones indicating the ways to resolve all theoretical and practical questions successfully in accomplishing the cause of party building in our era.

They explained that the immortal exploits of the fatherly leader and the respected general in making distinguished contributions to the development of the theory on the party leadership and to the accomplishment of the popular masses' cause of independence are that they



founded the *chuche*-based principles and method of leadership and successfully applied them to revolution and construction.

They stressed that in order to strengthen and develop the Workers' Party of Korea forever as the glorious party of Comrade Kim Il-song it is imperative to defend his revolutionary ideas, theories and method of revolutionary leadership and apply them to party building and party activities. Herein lies a decisive guarantee for carrying forward and accomplishing the *chuche* revolutionary cause generation after generation, they said.

**Kim Chong-il Awarded Honorary Citizenship**

SK0911055395 *Pyongyang KCNA in English*  
0430 GMT 9 Nov 95

[FBIS Transcribed Text] Pyongyang, November 9 (KCNA) — The great leader Comrade Kim Chong-il was awarded an honorary citizenship of Pisco city of Cuzco region, Peru.

An awarding ceremony was held at the city hall on November 3.

A certificate of citizenship of the city and a gift to Comrade Kim Chong-il were handed to the Korean ambassador to Peru by the mayor of the city at the ceremony.

The letters "The office of Pisco city, historical and folk site of handicraft and tourism of sacred Inca era, registers the great leader Comrade Kim Chong-il of the Democratic People's Republic of Korea as an honorary citizen." were printed in the certificate.

**Kim Il-song Awarded Honorary Citizenship**

SK0911055895 *Pyongyang KCNA in English*  
0432 GMT 9 Nov 95

[FBIS Transcribed Text] Pyongyang, November 9 (KCNA) — The great leader President Kim Il-song was awarded an honorary citizenship of Pisco city of Cuzco region, Peru.

An awarding ceremony was held at the city hall on November 3.

A certificate of citizenship of the city and a gift to President Kim Il-song were handed to the Korean ambassador to Peru by the mayor of the city at the ceremony.

The letters "The office of Pisco city, historical and folk site of handicraft and tourism of sacred Inca Era, registers the great leader Comrade Kim Il-song, the founder of the Democratic People's Republic of Korea, as an honorary citizen." were printed in the certificate.

**KPA Soldiers Pay Homage to Kim Il-song**

SK0911060695 *Pyongyang KCNA in English*  
0450 GMT 9 Nov 95

[FBIS Transcribed Text] Pyongyang, November 9 (KCNA) — People from all walks of life and soldiers of the Korean People's Army [KPA] called at the Kumsusan Memorial Palace and expressed deep reverence to the great leader President Kim Il-song on November 8, 16 months since his death.

Officials of central state organs, working people and soldiers of the KPA including the participants in the national symposium on experience of model machine operators, the 25th art festival of the KPA soldiers and producers of the music and dance performance "Always Following the Party" visited the Kumsusan Memorial Palace with humblest reverence.

They paid homage to the statue of President Kim Il-song, before entering the hall where he is preserved in state.

**Overseas Koreans, Foreigners Visit Statue**

SK0911060095 *Pyongyang KCNA in English*  
0438 GMT 9 Nov 95

[FBIS Transcribed Text] Pyongyang, November 9 (KCNA) — The home-visiting groups of Korean students in Japan and overseas Koreans staying in the socialist homeland laid floral baskets and made a bow before the statue of the great leader President Kim Il-song on Mansu Hill on November 8.

On the same day the delegation of the Shanghai Institute of International Studies of China led by its director Chen Peiyao, military attache of the Indian Embassy in Pyongyang Nebil J. Dias and the delegation of the UN Children's Fund visited the statue to lay bouquets of flowers and make a bow.

The military attache of the Indian Embassy said that the Indian people highly respect President Kim Il-song and expressed the belief that the Korean people would achieve greater victory under the leadership of his excellency Kim Chong-il, the supreme commander.

On November 7 the delegation of the East Asia Trade Research Board, Japan, led by its President Tetsuji Honma and the military attache of the Romanian Embassy in Pyongyang Dumitru Stanescu laid a floral basket and bouquet of flowers before the statue and made bows.



**National Meeting of Broadcasting Workers Held***SK0911065295 Pyongyang KCNA in English  
0514 GMT 9 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 9 (KCNA) — A national meeting of broadcasting workers was held here on November 7 and 8.

The meeting summed up the achievements made in the broadcasting in the past under the wise leadership of the Workers' Party of Korea and discussed measures to enhance the militant function and role of the broadcasting in every way in order to meet the new requirements of the era.

Present there were Choe Tae-pok, alternate member of the Political Bureau and secretary of the Central Committee of the WPK, leading officials of the press, officials concerned, broadcasting workers of the capital, local and Armed Forces organs and worker-peasant correspondents.

The WPK Central Committee in its congratulatory message to the participants in the meeting said that the broadcasting workers have faithfully defended and supported the revolutionary cause of *chuche* with the microphone, sharing the destiny with the great leader President Kim Il-song and the great party on the glorious road under the leadership of the party.

The message expressed the firm belief that all the broadcasting workers would make greater successes in the broadcasting, united around the party in one mind and thus, successfully live up to the deep trust and expectation of the party.

Chong Ha-chol, chairman of the DPRK radio and TV broadcasting committee, made a report which was followed by speeches at the meeting.

The reporter said that the general task of the broadcasting is to give wide publicity to the greatness of our party under the banner of the *chuche* idea. He stressed the need to propagate the revolutionary idea of our party in a deeper and all-round way in broadcasting.

Our radio should make active contributions to powerfully arousing the 70 million fellow countrymen to realize the cause of national reunification, true to the behests of the fatherly leader President Kim Il-song for reunification, and to powerfully inspiring and encouraging the progressive people to the struggle for building a new independent world, the reporter stated.

Speakers said that they took part in the meeting and received the congratulatory message of the WPK Central Committee which carries deep trust and expectation of the respected General Kim Chong-il. They vowed to thoroughly carry out the tasks set forth in the message.

A letter of pledge to the great leader Comrade Kim Chong-il was adopted at the meeting.

**Report on Memorial Service Held for Yun I-sang***SK0911102295 Pyongyang KCNA in English  
1013 GMT 9 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 9 (KCNA) — A memorial service was held here today for the late Yun I-sang, former chairman of the Overseas Headquarters of the National Alliance for the Country's Reunification (Pomminnyon) and a talented musician of the nation.

A gifted musician, Yun was born in Tongyang County, South Kyongsang Province, on September 17, 1917 and engaged himself in music composition. He worked as professor and composer at conservatories in Germany from 1959.

He energetically fought against military fascist dictatorship in South Korea and for independence, democracy and reunification. Chairman of the Overseas Headquarters of Pomminnyon, he took an active part in the movement of Pomminnyon for national unity and reunification until he died in Germany on November 4 at the age of 78.

A wreath from the great leader Comrade Kim Chong-il was standing in front of a portrait of the deceased.

Before the portrait were also wreaths in the name of the DPRK Central People's Committee, the Central Committee of the Democratic Front for the Reunification of the Fatherland, the Ministry of Culture and Art, the North side headquarters of Pomminnyon, the Yun I-sang Music Institute, delegations and home-visiting groups of the General Association of Korean Residents in Japan (Chongnyon) and others.

Vice-President Pak Song-chol, officials concerned, working people and artistes in the city were present at the service.

Also present were members of delegations and home-visiting groups of Chongnyon, staying in the socialist homeland.

The participants paid a silent tribute to the memory of Yun I-sang, who devoted himself to the patriotic work for national unity and reunification.

In a memorial address, Chang Chol, vice-premier of the Administration Council and minister of culture and art, recalled that the great leader President Kim Il-song invited Yun I-sang, who was at a loss what to do for the country and the nation, to the homeland and highly praised his patriotic devotion.



Chang Chol described Yun I-sang's life as the life of a pioneer of the movement for national reunification and a true patriot who deeply revered President Kim Il-song and respected General Kim Chong-il and entrusted everything to them. "As Yun wished, we must promote the reunification of the country, true to the behests of President Kim Il-song," said Chang Chol.

**Various Industrial Establishments Fulfill Plans**

*SK0911104095 Pyongyang KCNA in English*  
*0820 GMT 9 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 9 (KCNA) — Different industrial establishments have fulfilled their yearly plans in Korea.

More than 40 factories and enterprises in North Pyongan Province and more than 20 in South Hamgyong Province carried out their yearly plans at the end of October. The yearly plans have also been topped by many light industry factories.

The Nakwon and Ongnyu Garment Companies and other garment factories under the Ponghwa General Bureau, the Changgwang Export Garment Factory and the Kaesong Aeguk Garment Factory finished their yearly plans more than three months ahead of schedule by introducing efficient cutting and processing methods. They are now topping their daily assignments by 20-40 percent with a goal of overfulfilling the yearly plans by 30 percent by the end of the year.

The Kowon Socks Factory, the Kaesong Export Fancy-work Factory and the Cholwon Chufa Processing Factory, too, carried out their yearly plans set far higher than last year's more than one hundred [words indistinct] earlier.

The yearly targets have been hit also by the Chongjin Steel Plant, the Sinpo Cement Factory and other metal and building-material factories and many units of railway transport.

**South Korea**

**ROK Elected Nonpermanent Member of UNSC**

*SK0811234795 Seoul KBS-1 Radio Network*  
*in Korean 2100 GMT 8 Nov 95*

[Report by Yi Kwang-sul from UN Headquarters]

[FBIS Translated Text] At the UN General Assembly, our country has been officially elected a non-permanent member of the UN Security Council [UNSC].

Around 2:00 am [1700 GMT on 8 November] early this morning, our country won 156 votes, which exceeds a two-thirds majority, when 177 countries took part in the voting at the UN General Assembly. Our country

was thus elected a nonpermanent member of the UN Security Council — which exercises great influence for the world's peace and security — four years after our country joined the United Nations in 1991. Our country will start its two-year term beginning 1 January 1996.

Along with our country, Chile, Egypt, Guinea-Bissau, and Poland have been newly elected nonpermanent members of the UN Security Council.

Pak Su-kil, ambassador to the United Nations, stressed that the recent election will not only raise our country's profile on the international scene, but will also contribute greatly to peace and security on the Korean Peninsula.

However, Pak Kil-yon, ambassador of the North Korean Mission to the United Nations, strongly opposed this by maintaining before the voting that under conditions in which an internal war exists on the Korean Peninsula, the ROK's attempt to become a nonpermanent member of the UN Security Council will only aggravate the situation on the Korean Peninsula.

**YONHAP Correction on UNSC Membership**

*SK0911031695 Seoul YONHAP in English*  
*0050 GMT 9 Nov 95*

[Corrected version of SK0911010395, as supplied by YONHAP]

[FBIS Transcribed Excerpt] United Nations, Nov. 8 (YONHAP) — South Korea was formally elected a nonpermanent member of the United Nations Security Council [UNSC] at the UN General Assembly Wednesday.

South Korea was chosen as a nonpermanent member in the United Nation's top decision-making body by winning 156 votes from the 177 countries which took part in decision, well over the two-thirds requirement of 118 votes.

UN General Assembly President Amara Essy, following the overwhelming support for South Korea's bid to become a member of the Security Council, proclaimed the decision formally. [passage omitted covered by referent item]

The council seat, while raising South Korea's prestige, is expected to increase world pressure on Seoul to boost its financial contributions to the United Nations and peacekeeping operations (PKO), and to provide more manpower and equipment to PKO activities.



**Kim Yong-sam Comments on UNSC Seat**

*SK0911025595 Seoul YONHAP in English*  
0230 GMT 9 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 9 (YONHAP) — President Kim Yong-sam said Thursday that now that the nation has won a seat in the UN Security Council, the government must endeavor to make use of this seat in settling the Korean issue in a peaceful and democratic manner under the spirit of the UN Charter.

In a weekly meeting with Prime Minister Yi Hong-ku at his Chongwadae [presidential offices] office, the chief executive stressed the need for the government to make the nation's election to the United Nations' top policymaking body an opportunity to step up the globalization drive and increase the nation's diplomatic role in world politics.

"As we now are in a position to play an important role in tackling international issues, such as achieving world peace, our international responsibility has increased and so has the international community's expectations of us," Kim said.

Noting that the nation was elected to the UN Security Council with the overwhelming support of the world body, the president remarked that this has attested to the world community's high assessment of the civilian government's morality and has increased the Korean people's pride as a nation of the world.

"I'd like to share with the people the pleasure of the country becoming a member of the UN Security Council," he added.

**ROK Increases UN Contribution to \$47 Million**

*SK0911014395 Seoul YONHAP in English*  
0116 GMT 9 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 9 (YONHAP) — South Korea will increase its contribution to the UN budget by 22 percent from 38.237 million U.S. dollars this year to 46.647 million dollars next year, as it has been elected to serve as a nonpermanent member of the UN Security Council for two years starting in 1996.

The discretionary contribution to the budget financing projects [of] various UN organizations, such as the UN Development Program, are conducting around the world will rise 63 percent from this year's 6,434,000 dollars to 10,485,000 dollars, according to the Finance and Economy Ministry.

The mandatory contribution which all member nations are required to make as payment of membership fees will increase 13.7 percent from 31,803,000 dollars in 1995 to 36,162,000 dollars in 1996.

With these increases, the nation's shares of the world body's revenues next year will go up from 0.8 percent in mandatory contribution and 0.1 percent in discretionary contribution in 1995 to 0.81 percent and 0.16 percent, respectively, the ministry said.

The sharp increase in the discretionary contribution, which is a type of voluntary donation, suggests that the nation as a Security Council member will take a more active part in UN activities next year.

In addition, the government has set aside 28 million won (about 40,000 dollars) as expenses for attending Security Council meetings during next year.

**Membership Includes Financial Responsibilities**

*SK0911010395 Seoul YONHAP in English*  
0050 GMT 9 Nov 95

[FBIS Transcribed Excerpt] United Nations, Nov. 8 (YONHAP) — South Korea was formally elected a nonpermanent member of the United Nations Security Council [UNSC] at the UN General Assembly Wednesday.

South Korea was chosen as a nonpermanent member in the United Nation's top decision-making body by winning 156 votes from the 177 countries which took part in decision, well over the two-thirds requirement of 118 votes.

UN General Assembly President Amara Essy, following the overwhelming support for South Korea's bid to become a member of the Security Council, proclaimed the decision formally. [passage omitted covered by referent item]

The council seat, while raising South Korea's prestige, is expected to increase world pressure on Seoul to boost its financial contributions to the United Nations and peacekeeping operations (PKO), and to provide more manpower and equipment to PKO activities.

**ROK To Fulfill Obligations as UNSC Member**

*SK0911031895 Seoul YONHAP in English*  
0212 GMT 9 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 9 (YONHAP) — South Korea will exert every effort to fulfill its role and obligations as a member of the United Nations Security Council (UNSC) during its two-year term, the Foreign Ministry said Thursday.

In a statement, the ministry also expressed "sincere appreciation to the UN member states who have fully supported its election to the Security Council membership."

At the UN General Assembly election held Wednesday, South Korea won 156 of 177 total votes, far more than



the two-thirds minimum (118) needed for entry to the UNSC.

**Foreign Minister on Security Council Membership**

*SK0911142495 Seoul KBS-1 Television Network in Korean 1228 GMT 9 Nov 95*

[Interview with Foreign Minister Kong No-myong by KBS Anchorman Yu Kun-chan — live]

[FBIS Translated Text] We will hear from Foreign Minister Kong No-myong about the role and duties the ROK must assume now that it has become a nonpermanent member of the UN Security Council.

[Yu Kun-chan] How are you, sir. You have done a great job. It is of particular significance that the world publicly acknowledges the ROK has become a responsible member of the United Nations in the 50 years since national liberation in 1945. What will be its contribution to our national interests?

[Kong No-myong] Since our position in the international community has been enhanced, it will significantly contribute to our national security and our national economy in such areas as the export of goods.

[Yu] You briefly touched on the issue of our security. Do you think it will also affect inter-Korean relations?

[Kong] Regarding inter-Korean relations, our membership in the UN Security Council will become a significant deterrent to war. Since North-South dialogue will not be possible unless North Korea changes its policy, we will maintain our position to steadily call upon North Korea to introduce openness and reform.

[Yu] Our nonpermanent membership in the UN Security Council means the ROK will assume a greater role in the United Nations, and thus greater responsibility. Do you think it will also mean an increased financial burden on our part?

[Kong] We intended to meet the international call for our increased financial burden regardless of whether we became a member of the UN Security Council. We share (0.38) percent of the regular budget, and bear 0.16 percent of the financial burden for UN peace-keeping operations. Because requests are being made that we should increase our share of contribution to the UN budget, I think we should respond to such expectations sooner or later, regardless of whether we become a member of the UN Security Council.

**ROK Elected to UNESCO Executive Board**

*SK0911091795 Seoul YONHAP in English 0517 GMT 9 Nov 95*

[FBIS Transcribed Text] Seoul, Nov. 9 (YONHAP) — South Korea was elected Wednesday [8 November] to the Executive Board of the United Nations Educational, Scientific and Cultural Organization (UNESCO) for a four-year term beginning in 1996, Foreign Ministry Spokesman So Tae-won said Thursday.

It will be the third consecutive term for South Korea since 1987.

South Korea won 137 votes at the UNESCO General Assembly which convened in Paris to elect eight Executive Board members to supervise the budgeting and management of a variety of projects adopted by the UNESCO General Assembly, So said.

Other countries also elected to the UNESCO Executive Board include Japan, Indonesia, New Zealand, Bangladesh, Nepal, Pakistan and Thailand.

North Korea failed to obtain a seat on the UNESCO Executive Board as it received only 71 votes, he said.

**Defense Ministry To Lease U.S. Planes**

*SK0911114995 Seoul YONHAP in English 1035 GMT 9 Nov 95*

[FBIS Transcribed Text] Seoul, Nov. 9 (YONHAP) — The Defense Ministry reported Thursday that it had decided to lease 30 T-38 advanced trainers from the United States for use in 10 years beginning next year.

A ministry official said the lease was decided on at a recent Defense Ministry acquisition review meeting presided over by Vice Defense Minister Yi Chong-nin.

He said the meeting chose the lease plan out of three options available, the two others being purchase of 20 British-made Hawk planes and training of pilots in the United States.

"Purchase of 20 Hawks costs us 240 billion won while 100 billion won will be enough to lease T-38's," the official said.

The lease was deemed desirable especially because a Korean-type advanced trainer, KTX-2, would be developed in Korea by 2003, he said.

**Social Security Tax Exemption Pact Signed**

*SK0911092395 Seoul YONHAP in English 0818 GMT 9 Nov 95*

[FBIS Transcribed Text] Seoul, Nov. 9 (YONHAP) — South Korea and the United States Thursday initialed



an agreement on social security tax exemption for workers who do not satisfy the minimum residency requirement to receive social security benefits from their host country, a Foreign Ministry spokesman said.

The two sides agreed to sign the agreement after finalizing discussions on the remaining issues of whether to draw a limit on granting foreigners refunds for social security taxes they paid when they leave their host country without meeting the minimum period of stay and whether to include foreigners into the host country's accident compensation insurance system, the spokesman said.

About 3,000 South Korean nationals currently work in the United States and pay approximately 30 million U.S. dollars in annual social security taxes.

About 1,300 Americans are working in South Korea and are currently estimated to pay up to 10 million dollars in social security taxes.

South Korea is also pursuing similar agreements with Germany, Japan, Canada and several other countries.

South Korea will be the first Asian country to sign a social security tax exemption agreement with the United States which has signed such agreements with 17 other countries, the spokesman said.

#### **Infiltrators Said Sent on 'Mission of Terror'**

*SK0911031395 Seoul YONHAP in English*  
0255 GMT 9 Nov 95

[NSP Analyzes N. Korean Agents Sent to South on Mission of Terror" — YONHAP headline]

[FBIS Transcribed Text] Seoul, Nov. 9 (YONHAP) — The North Korean agent who was caught in Puyo recently had been sent to the South to carry out such acts of terrorism as assassination of important figures, the Agency for National Security Planning (NSP) reported Thursday.

Kwon Yong-hae, director for the Agency for National Security Planning, told a National Assembly Intelligence Committee meeting at the 63 Building at Yoido that Kim To-sik, the agent, was carrying poison needles and a silencer-equipped pistol when he was caught, according to Rep. Sin Sang-u, chairman of the committee.

Kwon was quoted as saying that North Korea's dispatch of armed agents despite the fact that the South Korean military was on alert for the Foal Eagle exercise and President Kim Yong-sam's overseas visits seemed to be aimed at testing South Korea's security readiness.

"The agents were trying to win former activist students, now in their thirties, over to the North Korean side

to train them as key operatives behind a pro-North Korean unification movement in South Korea," Kwon was quoted as saying.

#### **PRC Interim Probe Reveals Pastor An Kidnapped**

*SK0911084495 Seoul YONHAP in English*  
0837 GMT 9 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 9 (YONHAP) — Despite North Korea's insistence that South Korean Pastor An Sung-un defected to the North last June from northeast China, interim results of China's investigation into the case showed that the pastor was kidnapped and taken to the North, Ambassador Hwang Pyong-tae said Thursday.

"The interim results of the investigation of the An case do not fall short of our judgment," South Korea's ambassador to China said. "The investigation is proceeding in the direction we expected."

The ambassador, who returned to Seoul Wednesday [8 November] from Beijing in preparation for the upcoming state visit to Seoul by Chinese President Jiang Zemin, however, said that he was in no position to reveal the interim outcome of the investigation because China wanted to reveal the final results of the case jointly with South Korea.

#### **Economic Cooperation Proceeds at 'Snail's Pace'**

*SK0911042795 Seoul THE KOREA HERALD*  
in English 9 Nov 95 pp 2, 10

[Article by staff reporter Pae Un-chu: "N-S Cooperation at Snail's Pace"]

[FBIS Transcribed Text] Since South Korea lifted its 16-month ban on inter-Korea economic cooperation yesterday a year ago, only six South Korean corporations, including Daewoo Co. and Kohap Co., have been allowed to make direct investments in North Korea.

Officials at the Ministry of National Unification said that one of the greatest difficulties in promoting inter-Korea economic cooperation lies in contacting the North Korean counterparts via a third country and obtaining invitations to visit North Korea.

"The South Korean Government requires safety affidavits from North Korea before sending its corporate employees to the North," a ministry official said, "and this delays permitting South Korean companies to make direct investments in North Korea."

He said that North Korea wants South Korean corporations to invest in its underdeveloped Najin-Sonbong region whereas South Korean companies prefer to make



investments in the Nampo industrial complex or in Pyongyang.

North Korea also demands high labor cost, which makes it difficult for South Korea to expand its investment in light industry, he said.

"Most of all, North Koreans' closed-mindedness and ignorance of market economy makes it hard for South Korea to promote inter-Korea economic cooperation," he said.

Earlier this year, the South Korean Government tried to boost inter-Korea economic cooperation when it decided to provide the North with 150,000 tons of rice at no charge.

However, contrary to its intention, inter-Korea relations were strained when North Korea forced a South Korean freighter to hoist a North Korean flag and detained another cargo ship on charges of spying on the North Korean port. Both ships were delivering rice aid to the North.

After these incidents, South Korea suspended inter-Korea economic cooperation for a while until public criticism against the South Korean Government's inconsistent North Korean policy subsided.

Only recently the South Korean Government allowed Samsung Electro-Mechanics Co. to produce television speakers in North Korea.

This year's inter-Korea trade is expected to reach \$300 million, an official said. Inter-Korea trade was permitted for the first time in 1988.

"This sum marks one-seventh of North Korea's annual trade volume, which indicates that North Korea is economically becoming more dependent on South Korea, along with China and Japan," he added.

However, much progress in inter-Korea economic cooperation is not expected as South Korea is limiting direct investment in North Korea to \$5 million and is conducting most of its trade with North Korea via a third country.

Further, the South Korean Government does not allow South Koreans to contact North Koreans before obtaining the government's approval.

But North Korea is held more responsible for the slow pace of inter-Korea economic cooperation than South Korea.

While calling for more South Korean investments, North Korea has taken little action to reduce investment risks for South Korean companies.

Vice Minister of National Unification Song Yong-tae said North Korea should take appropriate measures if it wishes to put inter-Korea economic cooperation on a normal track.

North Korea should agree to conclude agreements with the South on investment protection, the avoidance of double taxation and the settlement of trade balance, Song said at a seminar on inter-Korea economic relations yesterday afternoon.

In addition to such risk-reducing mechanisms, South and North Korea will have to build up mutual confidence if they are to cooperate in trade, investment and other economic sectors.

Song indicated there will be no sudden improvement when he said South Korea will proceed with its economic cooperation with the North in line with progress being made in overall inter-Korea relations.

Nevertheless, inter-Korea relations have markedly improved since June 1993, when President Kim Yong-sam decided to ban local businessmen to visit North Korea following the North's withdrawal from the Nonproliferation Treaty (NPT) in March.

The South Korean Government lifted its ban on joint economic cooperation with North Korea Nov. 8, 1994 as the United States and North Korea reached an agreement to freeze the North's nuclear development in Geneva Oct. 21, 1994.

#### **Foreign Minister Regrets Japan's Eto's Remarks**

SK0911121595 Seoul YONHAP in English  
1149 GMT 9 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 9 (YONHAP) — Foreign Minister Kong No-myong called in Japanese Ambassador Shintaro Yamashita Thursday afternoon to express a regret over the recent remarks made by Japanese Management and Coordination Minister Takami Eto in connection with the Japanese rule of Korea in the past.

Minister Kong strongly urged that the Japanese Government take a proper measures over the incident.

Eto was reported to have stated some days ago that "Japan did some good things, too, for Korea during the Japanese colonial rule of Korea."

As his statement was about to set off yet another round of diplomatic frictions between Korea and Japan, he held an unsolicited press conference Wednesday to cancel the remarks.

Minister Kong said before the Japanese envoy that it is by no means desirable that Minister Eto made such



remarks at a time when Korea-Japan relations have been strained due to Japanese Prime Minister Tomiichi Murayama's remarks on the legality of the Korea-Japan Annexation Treaty of 1910 and when an Osaka meeting between the top leaders of the two countries is drawing near.

Kim Ha-chung, the ministry's director-general for Asian affairs, who attended Minister Kong's meeting with Yamashita, said the foreign minister told the Japanese envoy that he expects the Tokyo government will take a wise decision over the incident.

The minister's urging is taken to imply a demand for Eto's dismissal.

Kong said that though Minister Eto later canceled his remarks made on an off-the-record condition, the problem cannot be resolved merely with their cancellation.

Ambassador Yamashita said he would report the South Korean Government position to his home government.

#### **Japan Not Following Advice in Decision on Eto**

*SK0911013995 Seoul YONHAP in English*  
0106 GMT 9 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 9 (YONHAP) — Japanese Prime Minister Tomiichi Murayama will decide Thursday if he will dismiss from Office Management and Coordination Minister Takemi Eto who angered South Koreans by arguing that Japan did Korea good after it annexed the country, sources here said Wednesday.

Koken Osaka, chief cabinet spokesman, said, "We are not considering respecting and following the South Korean Government's opinion in relation to the issue, and we will make a decision independently."

Osaka added, however, that Eto's cancellation of his controversial remarks will not mean the settlement of all problems. "Since there are various opinions inside the ruling coalition, the prime minister who has the appointive power will make the final decision."

On Oct. 11, Eto told reporters that Japan did some good things for Korea after the colonization and that Japan's policy to change the names of all the Koreans to Japanese-style ones during its colonial rule between 1910 and 1945 was not totally coercive.

#### **Jiang Zemin Plans To Address National Assembly**

*SK0911101995 Seoul YONHAP in English*  
0734 GMT 9 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 9 (YONHAP) — Chinese President Jiang Zemin will address the National Assembly on Nov. 15 to express China's positions on

the Japanese Government's understanding of history involving Japan's colonization of Korea and its invasion of China and other Asian nations during World War II, South Korea's Ambassador to China Hwang Pyong-tae said Thursday.

Briefing reporters on the upcoming state visit by Jiang to South Korea Monday, Hwang said that the Chinese president will also express his government's position on bilateral relations with South Korea, regional and international issues.

Noting that it will be the first time Jiang or any of his predecessors will address a parliament of another country, the ambassador stressed that South Korea's national power has recently grown to the point where it could discuss with other nations issues which have a great impact on international politics.

"For instance, the Chinese Government expressed many thanks to South Korea when President Kim Yong-sam advised, while meeting with U.S. President Bill Clinton last July, the United States to send First Lady Hillary Clinton to Beijing (for the UN Convention on Women) to thaw tense relations between China and the U.S.," he said.

"I was also told yesterday that President Kim urged U.S. Vice President Al Gore to encourage Mrs. Clinton to visit Beijing when Kim met with Gore," Hwang said.

President Kim, in the meantime, urged Chinese President Jiang to release a Chinese-American human rights activist Harry Wu to foster an atmosphere in which Clinton could send Mrs. Clinton to Beijing in an effort to mend aggravated relations between China and the United States, the ambassador said, adding, "Those were just what happened later regardless of whether President Kim's advices worked or not."

Compared with Chinese Premier Li Peng's visit to Seoul last year which focused on trade and investment, Jiang's state visit will be centered on political, diplomatic and military issues involving the Korean peninsula as well as regional and international political issues, the ambassador said.

He added that Jiang's visit to Seoul will put an end to the criticism that China wants to maintain relations with South Korea only at the economic level while staying away from cementing bilateral political and military ties, saying "It will be the first time that a Chinese president will visit the Korean peninsula since the Chinese Communist Government was established in mainland China."

The ambassador said, "With Jiang's visit to Seoul, China, however, will have sent to South Korea all of



its three most influential political leaders in a one-year span."

Hwang was referring to the visits Chinese Premier Li Peng and Chairman of the Standing Committee of the National People's Congress Qiao Shi made last year and early this year, respectively.

The ambassador also noted that among the 100 officials in Jiang's entourage on this visit to Seoul, the largest ever among Jiang's overseas trips, is Chinese Communist Party Politburo member Ding Guangen who is considered one of the most powerful fourth-generation political leaders in the Chinese hierarchy.

"Ding's visit here is more meaningful because Ding, who is the only one currently maintaining close contacts with Deng Xiaoping, has so far played a pivotal role in bridging relations between the communist parties of China and North Korea," he said.

Hwang quoted a senior Chinese official as saying that the three-year-old relationship between South Korea and China is much more mature than some 30-year relationships between China and other countries.

According to Ambassador Hwang, China last year suspended its annual rice aid to North Korea, which averaged between 700,000 and 1 million tons, because of China's crop failure, aggravating the food shortage in the North.

"By my calculations North Korea would be short 2 million tons of rice next year even if there are no floods," he said. "That factor alone could be a force strong enough to strangle the Kim Chong-il regime."

The Chinese are facing a dilemma since they cannot force the North to abandon its inefficient collective farm system although they know the only way for the North to avoid the chronic food shortages is to abolish its farm system.

"Over 30 million Chinese starved to death before Deng Xiaoping abandoned the communist-style collective farm system and exported over 100 million tons of crops abroad," he said.

China, however, cannot urge North Korea to abandon the collective farm system because such a change could be viewed as a serious challenge to the communist system of the North, he said.

On the alleged kidnapping of Pastor An Sung-un to North Korea, Hwang said that the Chinese authorities have maintained close contacts with the South Korean Embassy in Beijing and will provide information on the interim results of its investigation into the case.

"I cannot reveal the contents of those contacts because China wants to reveal the truth only after the case is concluded," he said. "What I can say at the moment is that the Chinese authorities have already made arrests in connection with the case."

Questioned on China's response to the alleged slush fund scandal involving former President No Tae-u, the ambassador said that China is concerned with where the efforts by the South Korean Government to pursue clean politics could lead.

"They find South Korea to be a model for an anti-corruption drive," he said.

#### Article Discusses Triads, 'Mafia'

952C0177A Seoul WIN in Korean Sep 95 pp 94-101

[By reporter Song Ui-ho: "Organized Crime Shakes Asia: Chinese Triad and Russian Mafias Have an Eye on Korea Now"]

[FBIS Translated Excerpt]

Chinese and Russian organized crime groups, having tasted capitalism belatedly, now have their sights set on Korea. Smuggling is on the rise, including illegal entries and even heroin and guns. Their activities are cautious and surreptitious at the moment; nevertheless, authorities have even detected their attempts to form connections with crime groups in Korea. Here is a report on what is occurring on the front line of organized crime that has reached a critical level.

#### Fact 1:

Taran Dmitriy, 26, a Russian seaman from Vladivostok, is currently held in the Pusan Prison on the suspicion of Customs Law violations. He was arrested on 6 July. On the previous day he attempted to sell a pistol and ammunition to a Korean named Mr C. in his ship then at anchor at Pusan's Yongho wharf. Acting on information from Mr C., customs authorities made the arrest.

In his cabin in the 12,000-ton-class refrigeration carrier (Beluke), investigators found an Argentine-made "Tango" pistol and 200 rounds of ammunition. During a journey of more than two years through 15 seaports of the world, he allegedly bought them for \$100 in Montevideo, Uruguay and tried to sell to Mr C. for \$250.

Dmitriy, an engine room mechanic, spoke no English. This made the situation worse for him, causing Mr C. to suspect even more that he might be a professional gun smuggler. Since he had become acquainted with Mr C., who frequently visited the ship on business, Dmitriy made his offer in "body language." Remarking "pistong, pistong ..." and making a gesture of firing a gun with



the right-hand index finger, he produced a pistol, hastily making his offer.

Investigators unexpectedly made another discovery in the same cabin. They found firearms in the belongings of Andreyev, another Russian sailor and Dmitriy's roommate — a pistol, a gas pistol, and five gas bullets. They learned that the pistol was bought in Uruguay, and the gas pistol in the German seaport of (?Bremerhaven) for 120 marks. Andreyev told them that "In Russia, there are so many Mafias that you cannot live without carrying guns." "I bought them for self-protection," he insisted, "not for smuggling into Korea." The firearms were confiscated due to his failure to report them to authorities; otherwise, no further action was taken against him.

Following the investigations, customs officials in Pusan said that they had "found no evidence of any Russian or Korean organized crime groups pulling the wires." They concluded that the poor Russian sailor merely tried to make some money by selling their guns.

**Fact 2:**

Ms Q., a Hong Kong resident in her twenties, has been held in the Chongju correctional facility for women for four years. She was arrested in March 1992 at Kimpo Airport while attempting to smuggle heroin from Hong Kong. At the time, 3 kg of heroin, worth \$750,000 (\$250,000 per kg), was seized from her.

She has no previous experience with narcotics until she went to the Hong Kong airport for the first time. She was waiting for a flight to Seoul to do some peddling of goods when a gentleman approached and asked her to run a small errand for him, for a considerably large sum of money. At the time, lured by the money, she did not realize that she was about to become a "carrier" (simple courier in drug traffic).

He asked her to deliver a jumper to Seoul by wearing it. During the immigration check at Kimpo Airport, however, her appearance at once aroused the suspicion of customs officials. Her look was unusual and the jumper she had on somehow appeared bulging. Officials put her under a detailed search and, as expected, found dozens of vinyl wrappings containing heroin. "Hong Kong people seem to belittle Kimpo customs checks a bit too much," said Korean investigative officials.

Investigations focused on identifying the culprit behind her. She did not even know who the gentleman was; fortunately, however, she accurately remembered what he looked like and the clothes he had on. Based on her statements, Hong Kong police identified the man as an agent of the Hong Kong Triads.

Korea is becoming more of a target of international crime as time passes by. In addition to the above-mentioned cases, there are many more facts showing the trend. In the past, mainly Southeast Asian syndicates have been responsible for crimes involving narcotics in this country; lately, however, criminal activities linked to China and Russia, as well as to the United States and South American countries, have been uncovered. The types of crime are getting increasingly diverse, too; they even include an inflow of illegal funds in the guise of lawful investment, not to mention narcotics, firearms, counterfeit notes, and forged passports.

On 14 July, testifying before the Intelligence Committee of the National Assembly, Kwon Yong-hae, director of the National Security Planning Agency [NSPA], said that "Russian Mafias and Chinese organized crime groups armed with mass lethal weapons are trying to make inroads into our country," noting the serious nature of the situation. Following the diplomatic normalization with Russia and China in the early 1990's, and as traffic with these countries became brisk, crime syndicates came to pay attention to Korea as "lucrative" potential turf.

Of the two, the Chinese crime syndicate Triad appears to have already begun its "business" in Korea. The Chinese Triad is comparable to *yakuza* in Japan and the Mafia in the United States. It controls some 50 groups and more than 100,000 members altogether in Hong Kong, Taiwan, and China. [passage omitted]

Its traditional financial source is heroin. It moves the huge quantities of heroin produced from the "golden triangle area" — formed by the Thai, Laotian and Burmese borders — to the United States and Canada. The "Ms Q. case" is a typical one showing that it is stretching its sphere of influence to include Korea. Last year alone, attempted smuggling was uncovered on three occasions in which a total of 3 kg of heroin and Philopon were seized at Inchon and Pusan ports. Although investigative authorities are yet to secure material evidence, they believe that the Triad is responsible for them, too.

In addition to narcotics, Chinese crime groups have developed a new business with the focus on Korea, taking advantage of the increasing Korean tourists to China. It is the forgery of passports using passports Koreans lost in China. Passports forged by switching photos by a highly sophisticated method are sold to ethnic Koreans in the three provinces of Northeast China, for 3 million ROK won per passport. In case of a passport with a U.S. visa stamp in it, it is sold for as much as 10 million won. It is a business not as lucrative as drug; however, since so many ethnic Koreans in those provinces are anxious to get in Korea by any means, it



is viewed as being not a bad business either. It is known to be run mainly by groups in Jilin and Beijing with the participation of ethnic Koreans there.

Last year, as many as 267 Korean tourists reported to authorities lost passports in China. The losses were mostly attributed to carelessness; in some cases, however, tourists fell victim to extortions and were forced to surrender their passports. Such incidents would generally take place in red-light districts. When unable to pay an unreasonably exorbitant bill, tourists would be forced to yield their passports. Last year, more than 20 travelers were picked by immigration officials in various countries while attempting to enter with passports that had been lost by Koreans and later falsified by Chinese. Included in the countries were Austria and Germany.

Forged and falsified passports are sold not just to would-be illegal immigrants. They are also used as a safety device for another type of crime. They can be used for drug smuggling through regular routes, using ethnic Koreans as a cover. Going a step further these days, "Triad members, with growing self-confidence, are shifting to a new strategy and trying to smuggle themselves into our country," says an intelligence report.

The routes they use for smuggling are changing gradually. Drug smugglers from China are now using Pusan and other southern coastal points more frequently than they use Inchon or Kimpo for their entries. They think that they have less chances of being exposed at Pusan than at Inchon or Kimpo.

Another relatively lucrative new business with the focus on Korea is the smuggling of illegal immigrants. Triad agents would move two or three persons by a boat, sometimes as many as 60 to 70 at a time, to the high seas and turn them over to a Korean vessel, which will then smuggle them into Korea. In one of such cases, 65 ethnic Koreans were picked up by authorities in a wholesale arrest while attempting to make a landing on the southern coast. [passage omitted]

In the Samchonpo area, three large-scale smuggling cases of that type have been reported since last year. An official of the National Maritime Police explained that "the area is replete with islets and very rugged. Furthermore, unlike the western coast, the range of the tide is low there, and there are many inlets that can serve as access points," suggesting that some stowaways could have succeeded in entering the country unexposed. In addition, it is possible that there are many brokers in the area connected with Chinese groups, say police analysts.

Separately from these cases, direct and closer relationships are being attempted between crime syndicates in Korea and the Triad family, according to intelligence

reports. In last year, a group of the S. gang in Korea reportedly opened a host bar in Hong Kong with funding support from the Hong Kong Triads. The move put investigative authorities on alert because they view it as indicating a tie-up formally forged between the Triads and organized crime in this country.

The Triads are known to be skilled at developing collaborations with other gangs. It would set up or dissolve firms for one-time transactions at any time, a fact which in fact is making it difficult to obtain accurate information concerning its identity. When the Triads make inroads into another country, it is said to put its metamorphosing and negotiating skills to the fullest use to develop collaborations with local gangs.

Interpol is extremely nervous about activities of the Hong Kong Triads these days. In preparation for Hong Kong's 1997 reversion, the Triads lately have been pushing overseas operations with its future on the line while making inroads into Mainland China. It has its eyes on the huge market of video distribution to the 1.2 billion population of Mainland China, and to Overseas Chinese. [passage omitted]

Equally dangerous is the "mainland faction" born after the Deng Xiaoping's open policy. In China, 2,000 firearms and 380,000 rounds of ammunition were reported stolen last year. They include even machine guns, not to mention hand grenades. The People's Liberation Army believes that most of the stolen military equipment have ended up in the hands of the faction.

Some may question if such organized crime groups can possibly exist in socialist countries like China. Answering the question, an investigator said: "Where there is money, there is crime. China is no exception to organized crime, and to its expansion. Rather, the notion that 'if I control them, all their income can become mine' could even work as a greater lure to criminals in a socialist country where private ownership is banned." As if to prove it, in socialist countries, organized crime groups are the first to get wind of capitalism, he said.

With the "Russian Mafia" too — which is assumed to have more than 6,000 groups under its control with a total membership of over 100,000 — we cannot afford to remain an idle spectator after all. Among them are the Mafia of the Far Eastern region, including the Maritime Province and Sakhalin, watching for a chance to make its way into Korea. In fact, in January last year, three leaders of the Khabarovsk Mafia showed up in Pusan, offering their service to small local traders in settling claims involving Russians. An NSPA report says that their intent was the smuggling of narcotics, jewelry, and arms. [passage omitted]



The smuggling of firearms by Russian sailors as seen in the "Dmitriy case" has reached a critical level since the ROK-Russian diplomatic normalization, although there are no evidence of Mafia involvement. In the past two years, 10 firearms have been seized during their smuggling attempts. On the other hand, in criminal cases involving Chinese, no attempted smuggling of firearms have been discovered. In other words, the smuggling of firearms is a trait of the Russian Mafia. In this connection, an investigative official said that "we are most concerned about those guns being smuggled into the country eluding the vigilance of law enforcement, lest they should be used against VIP's or end up in the hands of crime groups." In fact, a pistol purchased from a Russian sailor was used in a murder by a native Korean in August of last year.

It was not too long ago that the expression of "Russian Mafia" was first used. Its historical background is entirely different from those of the Italian and American Mafia families born in the 16th century. The Russian Mafia was born quite recently, when Gorbachev was calling for openness and reform and the Soviet socialist system began collapsing. Needless to say, there had been gangs in the Soviet Union but they were too small-scaled and unorganized to deserve the name of Mafia.

Even at a time when socialism was collapsing, people had no general idea of private ownership. Anybody could gain ownerships by wielding weapons. Gangs thus cropped up, and it is because of this historical background that the Russian Mafia has grown to be such a huge organization in a short period.

It is unique in membership, too. Former communist party bureaucrats including KGB and ex-military officials are active as leaders, while the public accepts the Mafia as a new power structure replacing the powerful central government of the former Soviet Union or a collective developing a market economy, rather than as a simple crime syndicate. However, the fact is that the Russian Mafia, armed with 150,000 firearms, 300,000 hand grenades, and even missile launchers, is engaged in smuggling activities, even involving nuclear substances, not to mention narcotics, and that it is even scoffing at Yeltsin's reform program.

Among Mafia leaders are ethnic Koreans. And they are visiting Korea more frequently. They allege their connections with Korea, and we should be wary of such allegations. In this June, Yura Pak, 50, a third-generation Korean and middle-class Mafia boss in the Khabarovsk region, made a secret visit to Pusan. And in July, Sergey Pak, another third-generation Korean and No. 1 boss of the Nakhodka Mafia, also stayed in

Pusan for a week in a top-secret visit, accompanied by six bodyguards.

In addition to activities in Korea, the Russian Mafia is also a threat to Korean businesses operating in Russia. Businessmen stationed in Russia are faced with roughly three types of danger — blackmailing and extortions against the business, indirect infiltration through the Russian-side partner, and muggings on the street. Currently, 150 Mafia groups are in control of some 40,000 enterprises, including banks.

Mafia infiltration into a business is done typically through these steps: They first demand payment of "gratuity" for what they call protection of the business. Next, when the time comes, they ask the business to use their men. When Mafia members thus come into the business, it is the beginning of Mafia control of the business. New businesses would readily meet demands for money for fear of retaliation. Last year alone, as many as 94 persons were killed resisting extortion attempts by Mafia members. Korea has 28 enterprises operating in Russia, with a total investment of \$24 million.

It is an open secret already that funds of Japanese *yakuza* groups — whose relationships with organized crime in Korea are historically long — continue to flow into this country, and that they are being used for business activities, either in tie-ups or other collaborations with Korean groups under the mask of lawfulness.

With regard to the Chinese Triads and Russian Mafia, which began paying attention to the Korean market belatedly after diplomatic normalization, they have shown no signs of such full-scale activities as yet as *yakuza* groups are having in Korea. So, a high police official, brushing off the expressed concerns, said that "many things are being said but, speaking of the clues that we have, international crime is in no serious stage as yet." In reference to backdrops, other officials explained that "the drug and gun control in our country has been so strict that environmentally there has been no room for international crime to find a way in." Their observation is that the "war on crime" in our country also played a part. Effectively, they are saying that as far as international crime is concerned, Korea is relatively a safety zone.

There are some counsels of caution, however. The Internal Tourism Promotion Law was revised recently to ease restrictions on the opening of casinos. The domestic environment is shifting toward making it easier for organized crime to operate. Organized crime, they warn, would not, for their very nature, let alone what they see as "places of potential profiteering." In cases involving massive crime syndicates in particular, it would be too



late already when authorities come around to realize the seriousness of the situation, they contend. In the United States, for example, the FBI is said to be unable to control Russian Mafias any more because it had failed to nip them in the bud and they are already well entrenched.

An NSPA official said: "Russians staying in Pusan's 'Texas Village' are mostly connected with crime groups. They are staying illegally with a sailor's pocket ledger they purchased in the United States for \$30. If we should continue to tolerate their minor offenses, environmentally it could open the door to Russian Mafia infiltrations into this country."

In our country, investigations of international crime are currently divided among various agencies. In drug cases alone, they are divided among the Narcotics Section of the National Police Agency, the Narcotics Division of the Prosecutor General's Office, and the Narcotics Inquiry Division of the Office of Customs Administration [OCA]. Smuggling cases are handled by the OCA, and illegal immigrants by the Immigration Division of the Ministry of Justice. Meanwhile, the prosecutors and police, and the NSPA are respectively in charge of investigations and the gathering of intelligence. Although this division of work indeed has the effect of stimulating competitiveness, it could also create a loophole in inter-agency cooperation, which is an essential requirement in organized crime investigations. Agencies would sometimes fail to share important information.

On 15 April this year, police and NSPA personnel raided a business firm named Namyang Batteries in Namyangju, Kyonggi Province. They arrested Mr K. and his group, who set up a phoney battery dismantling business and were actually making Philopon. One 1 kg of ephedrine hydrochloride, the raw material for Philopon, was also seized. Investigation revealed that the raw material came from China, and that an additional 1 ton was to arrive from the Philippines. Police closed the book on the case with the arrest of Mr K. and his group.

NSPA officials, however, felt chagrined at having missed a golden opportunity of making a roundup of Philippine and Chinese groups involved. They maintain that if they had had investigative authority in the case, they could have "cleaned up" organizations that pulled the wires from behind, based on information obtained by personnel stationed in the Philippines and China. What they mean is that in the absence of inter-agency cooperation, it is impossible to do away with the sort of inefficient investigation that never goes beyond arresting the lowest-level agents.

As crimes involving Chinese and Russian syndicates increase, intelligence authorities are also wary of their connections with North Korea. To date, however, there have been no cases suggesting such connections, except that North Korean workers fleeing logging camps in Siberia are reportedly joining Russian Mafias these days in search of protection. In addition, among ethnic Koreans illegally entering Korea via south coastal points, many are personalities who had been to North Korea.

Globally, businesses in which international crime syndicates are involved are said to be worth approximately \$3,000 trillion, including drug markets worth \$500 billion.

The stupendous number is equivalent to 60 percent of the total assets of 500 major enterprises in the world, estimated at \$5,000 trillion. Those syndicates would incapacitate law enforcement and even undermine state systems, not to mention destroy the world's economic order. Regarding the Chinese Triads and Russian Mafia activities surrounding Korea, it could perhaps be that the present situation signals no immediate, serious danger, but there is the need for us to monitor developments with heightened vigilance, including all intelligence reports available, instead of sitting back with folded arms.

#### **Envoys to CIS To Hold Policy Meeting**

SK0911093095 Seoul YONHAP in English  
0824 GMT 9 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 9 (YONHAP) -- South Korea's Ambassador to Russia Friday [10 November] will preside over a meeting of South Korea's envoys to the Commonwealth of Independent States (CIS) to examine political, economic and cultural situations in the CIS region, a Foreign Ministry spokesman said Thursday.

During the meeting which will be held in Kiev, the capital of Ukraine, until Saturday, the envoys to the former Soviet Union states will also seek ways to enhance cooperation among South Korea's missions there, he said.

#### **Meeting With France Opens on Arms Purchases**

SK0911043595 Seoul THE KOREA TIMES in English  
9 Nov 95 p 3

[FBIS Transcribed Text] Korea and France opened a four-day meeting to deal with ways to promote bilateral cooperation in military logistics and defense procurement in Seoul yesterday, the Defense Ministry said.



Topping the agenda is K-SAM or the Chonma Project aimed at developing Korea's own air-defense radar and missile system. The French firm Thomson is the primary provider of technology and hardware. Korea has imported about 400 million dollars worth of military equipment from France thus far.

Chonma, launched in the late 1980s, is one of the key projects being pushed by Korea to diversify its importation source of military hardware that is heavily concentrated on the United States.

Also included on the agenda is Korea's buying of Exocet anti-ship missiles and Mistral missiles, the French version of personal ground-to-air missiles. Korea has imported about 20 Exocets worth 14.8 million dollars and hundreds of Mistrals.

The ministry said that the two countries will also discuss a wide range of military logistics matters including naval equipment and technology as well as exchanges of military logistics personnel.

A ministry spokesman said that the two countries will tackle the signing of a memorandum of understanding (MOU) in the field of military logistics.

"Korea depends on the United States for the procurement of military hardware, which is seen as unhealthy for the overall enhancement of our combat capabilities," he said. "Thus we are stepping up our cooperation with France in order to curb the trend."

Assistant Defense Minister Yun Chong-ho heads the Korean delegation to the four-day meeting.

#### **Political Parties React to No Investigation**

SK0911033795 Seoul THE KOREA TIMES in English  
9 Nov 95 p 2

[FBIS Transcribed Text] The ruling and opposition parties are unanimous in calling on business tycoons to actively cooperate in the prosecution investigation into the No Tae-u slush fund scandal, so that the whole truth of the matter will be brought to light at the earliest possible date.

Yet, opposition parties argued that the prosecution's summoning of heads of big business groups, including Hyundai, LG, Samsung and Dong Ah, is the current regime's well-calculated move to divert the people's attention from mounting suspicion on massive campaign funds allegedly funneled to the Kim Yong-sam camp from No and conglomerates during the 1992 presidential election.

The ruling Democratic Liberal Party and the conservative United Liberal Democrats, meanwhile, expressed concern that the summoning of business leaders and

possible indictment of some of them will have a negative impact on the national economy.

The DLP insisted that the indictment of businessmen should be minimal in light of its adverse side-effects on the economy, arguing that tycoons' "political donations" to the chief executive was a customary practice in past administrations.

DLP Chairman Kim Yun-hwan recently met former economic planning minister Sin Hyon-hwak to hear his opinion on the effects the prosecution's investigation of business leaders will have on the economy, which began to show signs of a downturn.

Rep. Kim Tok-yong of the DLP, a trusted deputy of President Kim, yesterday made it clear that the slush fund probe should not be expanded to such an extent as to implicate a number of business leaders.

"Though the summoning of tycoons is inevitable to dig into the scandal, the prosecution should exert every effort to minimize economic fallout from the case," Kim said.

He added, "Political donations were customary in the past and those who should be blamed are the immoral powers-that-be of the dictatorial regimes, not businessmen."

Yun Won-chong, chief secretary to party chairman, agreed to Kim's view, arguing that the economy will be in bad shape if the prosecution indicts a number of businessmen.

"The fallout has already been felt," Yun said. "Should heads of business groups be convicted, the interests on loans the business groups took out on the international money market will rise."

He forecast that tycoons who will face indictment in connection with No case will be only a few.

The main opposition National Congress for New Politics, which has yet to recover from the shock caused by its leader Kim Tae-chung's confession that he received 2 billion won from No, gave a suspicious look at the prosecution's summoning of tycoons.

Pak Chi-won, sharp-tongued spokesman of the NCNP, said, "This is a well-calculated scheme of the ruling camp aimed at papering over the snowballing suspicion on President Kim's campaign funding in the 1992 presidential election."

Pak said, "Though the summoning of the tycoons may draw the people's interest for a while, the history will reveal it was a coverup."



Rep. Yi Hyop of the NCNP also voiced suspicions at the prosecutors' summoning of tycoons, saying, "Do the prosecutors really believe that they can find the truth by quizzing six business leaders in only one day? I think it is a show staged to demonstrate to the people that they are conducting a strict probe."

Rep. Yu In-hak of the opposition party argued that the summoning of tycoons is part of the ruling camp's plan to wrap up the investigation at an early date.

The minor opposition Democratic Party welcomed the prosecution's summoning of business leaders, hoping that it will serve as an occasion to put an end to the age-old political-business collusion.

"The business tycoons should reflect on themselves for the past wrongs and reveal the truth before the prosecution," DP spokesman Yi Kyu-taek said.

Yi also cautioned against the possible attempt by the ruling camp to take advantage of the summoning of tycoons to water down the opposition move to dig into President Kim's campaign funding in 1992.

"The ruling camp should not attempt to make the summoning of the tycoons a 'rite of passage' aimed at papering over the campaign funding suspicion," Yi said.

The conservative United Liberal Democrats also called on business leaders to cooperate in the prosecution investigation into No Tae-u's slush funds.

ULD lawmakers expressed their apprehension that the expansion of the probe to business leaders will have a bad influence on the economy.

**Business Leaders Called in for Questioning**  
SK0911044395 Seoul THE KOREA HERALD  
in English 9 Nov 95 p 1

[FBIS Transcribed Text] Samsung Group Chairman Yi Kun-hui and three other top business tycoons were grilled yesterday over their alleged links to former President No Tae-u's slush fund.

Prosecutors questioned them as they looked into allegations of bribery over major state projects during No's presidency term from 1988 to 1993.

Brought in during the day were Yi, LG Group's Ku Cha-kyong, Dong-Ah's Choe Won-sok and Daelim Industrial Co.'s Yi Chun-yong.

Chong Chu-yong, founder and honorary chairman of Hyundai Group, was also summoned, but he telephoned the prosecution to say he would submit himself today.

In addition to Chong, six other business leaders are to be called in today. They are Cho Sok-nae of Hyosung,

Yi Tong-chan of Kolon, Pak Yong-kon of Doosan, Pak Kun-pae of Haitai, Chang Chi-hyok of Kohap and Kim Sok-won, former chairman of Ssangyong.

Daewoo Group Chairman Kim U-chung and Lotte's Sin Kyok-ho will also be called in when they return from business trips, prosecutors said.

The businessmen were asked to make clear the amount of money they had given No and whether they were given any favors in return.

In an apology to the nation Oct. 27, No said he had raised 500 billion won (about \$654 million) in "governing funds" through the customary "donations" from businesses while in office.

Also at issue is whether the conglomerate heads helped No personally launder his money by supplying borrowed-name bank accounts or using it as loans for their operations, prosecutors said.

Two groups, Daewoo and Hanbo, have so far been found to have helped launder the money in 1993 after President Kim Yong-sam banned all false-name bank accounts, according to the prosecutors.

News reports said the prosecution's tracking of accounts found that they had given No 10 billion to 35 billion won each on national holidays and other special occasions.

Hyundai's Chong, while making an unsuccessful run for president in 1992, said he had given past military-backed presidents, including No, up to 10 billion won several times a year.

Most of the major conglomerates won important government contracts during No's administration.

Samsung became the main contractor in a multi-billion-dollar arms procurement project that is building 120 F-16s. It also expanded into car manufacturing.

Hyundai won contracts for several nuclear power plants and became the key contractor in an international airport on the West Coast near Seoul.

LG gained a contract with regard to the Seoul-Pusan high-speed railroad project. Dong-Ah obtained contracts to build nuclear power plants.

Meanwhile, the head of a smaller conglomerate, Jinro, was said to have admitted to having given "cash gifts" to No but denied that he had made the contributions in exchange for business favors.

Jinro Chairman Chang Jin-ho was questioned overnight from Tuesday evening.



**Summoning of Businessmen May Be 'Formality'***SK0911061595 Seoul THE KOREA TIMES in English  
9 Nov 95 p 8*

[Report by staff reporter No Chun-hon]

[FBIS Transcribed Text] The summoning of most owners of the nation's top 10 business groups is generally seen as a mere formality that will allow the ongoing probe into the huge secret fund established by former president No Tae-u to be concluded.

Affected business groups were generally resigned to the fact that the questioning of their bosses by prosecutors had to come sooner or later and that getting it over and done with now is perhaps for the best.

On the other hand, the overnight questioning of Jinro Group Chairman Chang Chin-ho offered a hint that prosecutors mean business and that they are looking to establish the exact nature and size of the political contributions.

Business groups are contending that most contributions were made as "gifts" during festive seasons but the fact that there were numerous lucrative projects while No was in office is giving rise to rumors of favoritism.

Several group owners, including Samsung Group Chairman Yi Kon-hui and LG Group honorary chairman Ku Cha-kyong, reported to the prosecution for interrogation yesterday morning.

This is the first time that Yi has been summoned by prosecutors and extensive preparations were reportedly made to cope with questions about possible collusion with the No administration in winning bids for a number of projects.

For one, Samsung Aerospace won the right to undertake the Korea Fighter Program to build F-16 fighters from Korean Air. Interestingly enough, Yi cancelled plans to attend the rolling out of the first F-16 planes Tuesday.

As for Ku, group officials said relationship with the No government had not been good since he made unwelcome remarks during a year-end party at Chongwadae and that LG had not been involved in any lucrative projects.

Among those asked to present themselves was Hyundai Group founder Chong Chu-yong but group officials are negotiating on the sending of Group Chairman Chong Se-yong instead, citing the elder Chong's poor health.

Meanwhile, Dong Ah Group Chairman Choe Won-sok returned home Tuesday evening from Libya where he was inspecting progress on the Great Man-Made River project and was the first to reach the Supreme Prosecutor's Office.

Sources within the business community said Choe's hurried return home is an indication that prosecutors could be calling in all related businessmen as a formality even though actual questions asked were not immediately known.

"There is speculation that the summoning of only a few group owners could create severe corporate image problems for them and so prosecutors decided to call in all those concerned," one group official said.

He added, however, that there is also the possibility that a few business group owners may face charges since a reprimand of the business community is seen to be a central requirement of the process of assuaging public anger.

As for Daewoo Group Chairman Kim U-chung, who laundered 40 billion won for the former president, he remains on business in Poland and group officials are reportedly negotiating to send Daewoo Corporation Chairman Yi Kyong-hun in Kim's place. Sin Kyok-ho, chairman of the Lotte Group and one of the richest men in the world, has also been summoned but he has made no plans to return home from Tokyo where he spends at least half the year.

Lotte officials, expressing disbelief that their boss could have been summoned, said Lotte has not been involved in any project dosed with irregularities and that they are asking prosecutors to question Vice Chairman Sin Chun-ho instead.

Overall, the business community is keeping its fingers crossed that with the summoning, the No scandal will blow over and that it will be able to get back to "business as usual."

**DLP, NCNP Criticize Each Other Over Fund***SK0911092995 Seoul YONHAP in English  
0834 GMT 9 Nov 95*

[FBIS Transcribed Text] Seoul, Nov. 9 (YONHAP) — The ruling Democratic Liberal Party (DLP) and the opposition National Congress for New Politics (NCNP) on Thursday criticized each other in connection with the secret fund scandal involving former President No Tae-u.

The mudslinging started when Rep. Choe Chae-sung, a close aide to NCNP President Kim Tae-chung, alleged in a speech on the house floor that President Kim Yong-sam had received more than 100 billion won in "a takeover fund" from No on Feb. 24, 1993, on the eve of his inauguration.

He also asserted that Kim had received a total of 300 billion won in campaign funds from No between the



time of the former president's departure from the DLP in October 1992 and Kim's election in December 1993.

Choe's allegations appeared to debase the morality of President Kim, who said he has never received money directly from No, nor has he received political funds from anyone since his inauguration.

In reaction, DLP Secretary-General Kang Sam-chaе said in a press conference that "there are rumors about NCNP President Kim Tae-chung having received a 'huge' amount of money from No when works were under way to liquidate the wrongs committed by the Fifth Republic."

Kang claimed that the NCNP president has consistently helped No in important political events, citing the 1987 presidential election when he helped No win by running on a splinter opposition party ticket, "betraying the people's demands for a united single opposition standard-bearer." Then again in 1989, when No broke his election pledge to hold a national referendum on his half-term achievements as head of the state, he helped No by saying such a vote may be unconstitutional, he noted.

Then just last month when Rep. Pak Kye-tong of the Democratic Party revealed the existence of a secret fund stashed in borrowed-name bank accounts during a speech on the house floor, Kim again came to the aid of No by saying the funds may not belong to the former president, Kang argued.

Kang said the NCNP is resorting to an "offense-is-the-best-defense policy" to heal the wounds it sustained as a result of President Kim Tae-chung's confession that he accepted 2 billion won from No.

The NCNP should search its soul about the wrongs its president committed, Kang stressed before asking, "Why on earth have they started all this muckraking aimed at the president and our party?"

And he added, "With what money does he (Kim Tae-chung) run his Asia-Pacific Peace Foundation?"

#### **All-Weather Helicopter Navigation System Built**

*SK0911034195 Seoul THE KOREA TIMES in English 9 Nov 95 p 3*

[FBIS Transcribed Text] The Army has developed an all-weather helicopter navigation system that can be used by lightweight civilian aircraft.

The system, worth 4 million won, comprises an onboard GPS (global positioning system) receiver and a portable or notebook computer with self-developed software. The Army has requested a patent on the system.

It covers all navigation functions to include pre- and post-flight procedures, ensuring safe flights regardless of weather conditions.

The navigation information function, the core part of the new system, will provide pilots with flight routes on the monitor with updated positions of the helicopter in flight through a satellite hookup. Just in case, an indicator shows whether or not the chopper is on a designated course, and how far it has deviated from it.

An Army spokesman said, "It is possible for pilots to navigate their aircraft without relying on their own eyes under bad weather or in a nighttime operation."

He said that Army helicopters use U.S. developed Doppler or AN/ASN-128 that is based on signals sent to the ground and its responses.

"The existing Doppler system doesn't give altitudes," he said. "In addition, it doesn't work properly in deserts or special terrain."

The Doppler system is priced at 50,000 dollars, about 10 times more than the new Korean navigation system, he said.

#### **Ministry Issues Press Release on Telecom Request**

*SK0911061695 Seoul THE KOREA TIMES in English 9 Nov 95 p 8*

[FBIS Transcribed Text] The government will nullify the license issued to Sinsegi Telecomm for cellular phone service if it does not comply with the requirements it agreed to meet, a spokesman of the Information and Communication Ministry said yesterday.

In a press release, spokesman So Yong-kil said, "The ministry authorized Sinsegi to do cellular service July 30 last year on the condition that it would start to provide the service using code division multiple access (CDMA) digital mode by January, 1996."

He warned the switch of the signal transmission mode to anything other than CDMA mode is a violation of Article 15 of the Electricity and Telecommunications Law, saying, "This would lead to the cancellation of the license."

Sinsegi president Chong Tae-ki told reporters over lunch Tuesday that most of shareholders of his firm want to adopt the analog mode for fear of poor service in the initial stage, calling for authorization of the traditional mode as a back-up prior to the introduction of the new advanced one.

It is speculated that U.S. shareholders have strongly insisted on Sinsegi to introduce an analog system, while putting pressure on the Korean government to allow



newcomer Sinsegi to do so. Rumor had it that the Korean government may bow to U.S. pressure.

To wipe out the suspicion and warn against Sinsegi at the same time, the ministry has reaffirmed its original position, a telecommunications expert said.

#### **Seoul Formulates Fiscal 1996 Budget**

SK0911092295 Seoul YONHAP in English  
0808 GMT 9 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 9 (YONHAP) — The Seoul City Administration on Thursday referred to the city council for approval of its fiscal 1996 budget bill set at 7,646.3 billion won (9,917 million U.S. dollars), down 121.8 billion won from the current year's budget.

The budget bill is comprised of a 3,812.2-billion-won general account, that relies on tax revenues, up 16.5 percent over the current year's, and a 3,955.9-billion-won special account, down 19 percent from this year's budget.

This is the fifth time that the Seoul city has sought a downsizing of its budget, following fiscal years 1958, 1987, 1993 and 1995.

The per capita tax burden, however, has been set at 353,000 won, no less than a 23 percent boost over the current fiscal year's 294,850 won.

Conspicuous increases in next year's outlays can be seen in the safety management sector which includes the maintenance and repair of bridges and other facilities, for which 525.4 billion won, a 48.2 percent increase over the current year, has been earmarked.

A 21.8 percent rise is given to the welfare sector for destitute, aged and handicapped citizens with 373.3 billion won allotted, while 1,410.3 billion won or a 21.3 percent hike over the current year's figure has been earmarked for the environmental preservation sector covering piped water and drainage systems, air pollution control, cleaning and park and green zone management.

Influenced by the near completion of the second phase of the subway and urban road construction projects, the budget earmarked for the former declined by 6.3 percent from this year at 418.7 billion won, while that for the latter fell by 15.8 percent at 528.1 billion won.

But outlays allotted for the improved city bus operation project saw a 240 percent hike from the current year's figure with 80.2 billion won.

Commenting on the budget bill, Chief Planning Officer To Myong-chong said, "To establish a sound financial structure for the capital city, priorities were given to projects which are directly related to the citizens' lives,

while outlays for nonessential programs and those for which fund securing was difficult were curtailed."

#### **Article Notes Cooperative Labor-Management Talks**

952C0176B Seoul HANGUK KYONGJE SINMUN  
in Korean 1 Aug 95 p 30

[By reporter Yun Ki-ho]

[FBIS Translated Text] This year's labor-management disputes involving local unions have virtually drawn to an end nationwide as the prolonged Korea Communications upheaval was basically settled with the arbitration of the Central Labor Relations Commission and the union's decision to call off a strike. Labor disputes this year began gathering strength in the wake of a harsh disciplinary action announced on 16 May by Korea Communications against 64 union leaders, which triggered violent reactions by the union. Now, with the settlement in the Korea Communications case, they have entered a clean-up period.

Thus, labor-management negotiations at industrial establishments throughout the country this year, unlike other years, have concluded relatively smoothly. Needless to say, some unions such as those at Seoul Subway, Korea Heavy Industries, and Korea Electric Power Technology, are continuing their strikes, and wage talks are still under way at a few major companies, including Daewoo and Hyundai auto plants. But the prevailing observation seems to be that they are unlikely to reverse the current climate of harmony and stability that has become an overall trend of the labor world.

Kim Hwa-kyom, chief of the Labor Ministry's mediation division, said that "labor unions at other workplaces currently in disputes with management also appear to be refraining from going on reckless strikes." In fact, the prospects of labor-management negotiations this year had been heavily clouded over until as recently as May.

Extraneous labor organizations such as the Preparatory Committee for a Democratic Federation of Labor (Minnojun), the General Association of Hyundai Group Labor Unions (Hyunchongnyon), and the Public Sector Labor Union Representatives Council (Kongnodae), had announced their line of solidarity struggle focusing on intensive strikes. Furthermore, successive incidents, including the self-immolation of Yang Pong-su, a member of the Hyundai Motor Company labor union, added fuel to the tense labor-management relations.

The situation further deteriorated as Korea Communications unionists, the public-sector core force, holed up in Chogye Buddhist Temple and Myongdong Catholic Cathedral for a lengthy period in protest to



the management-announced disciplinary action, further clouding the prospects of labor-management relations for the year.

Against the initial expectations, however, unions — including even the key unions under the influence of the extraneous labor organizations — concluded their negotiations successively with no extreme confrontation, bringing in a climate of stability to stay.

Minnojun core unions, including those at Hyundai Heavy Industries, Kumho, and Hanjin Heavy Industries, which played a leading role in the labor crisis last year with prolonged disputes, have already reached wage settlement with no strikes this year.

Wage settlement at these workplaces wielding influence in the labor world has a great pervasive effect on other workplaces. It has no doubt greatly contributed to the strike-free settlement involving other powerful unions like the ones at Hyundai Mipo Dockyard Co., Hanguk (Franchi), and Kia Motors Corporation.

Unions exercising actual influence, such as those at Ssangyong Motor Company, Pusan Transport Corporation, and Hanyang University Hospital, also reached settlement in their negotiations without much trouble, some of them through strikes though. Daewoo Shipbuilding and Hyundai Precision Industry's Ulsan plant, plagued by disputes until recently, also have reached a settlement in succession.

And now, even the dispute at Korea Communications has reached a settlement. The trend indicates that labor-management negotiations at other establishments are also expected to be resolved sooner or later with no serious complications.

Currently, disputes remain unresolved at 13 establishments including Korea Heavy Industries, Seoul Subway,

Korea Electric Power Technology, and Yongnam University Hospital.

However, in Seoul Subway's case, the dispute is over demands for withdrawal of a claim for damages and for reinstatement of dismissed workers. It is not about wages and therefore not a matter for collective bargaining. In the case of Korea Heavy Industries, if the union fails to come to the negotiating table, the management can ask for arbitration unilaterally; therefore, a settlement is expected by mid-August, according to Labor Ministry officials. In the rest of establishments, negotiations will likely come to a settlement with no big troubles, now that establishments such as Korea Communications have settled their disputes.

Thus, labor-management relations this year have, against the initial fears, followed a course of stability, a development that can be seen as reflecting the mood of labor-management harmony proliferating in workplaces across the country, plus the overall atmosphere of maturity in society.

In fact, such climate was vividly demonstrated by social reform plans issued by the labor unions at Kia Motors Corporation, Kia Precision Machinery, and Sohae Industries, as well as a signature drive launched by union members of Hyundai Heavy Industries Co. calling for strike-free negotiations.

Furthermore, the tough line taken by the government and the critical attitude of citizens against illegal labor activities, labor experts observed, significantly contributed to inducing unions to respect the law and order and principle in their movements.



**Cambodia****Group Reportedly Plotting Overthrow of Hanoi***BK0411090095 Hong Kong AFP in English  
0551 GMT 4 Nov 95*

[By Matthew Lee]

[FBIS Transcribed Text] PHNOM PENH, Nov 4 (AFP) — At least one small group of anti-communist, ethnic Vietnamese has established itself here and is planning the overthrow of the Hanoi government, senior government sources said Saturday.

The sources confirmed in part a report in the most recent issue of the fortnightly Phnom Penh Post newspaper which said several groups of well-armed, anti-communist Vietnamese were plotting to topple the communist government from their headquarters in Phnom Penh.

The Post, citing diplomats and Cambodian officials, said the groups, led by former South Vietnamese government officials and Vietnamese-Americans and funded by ethnic Vietnamese and others in the US, had as many as 2,000 members and had established a network of "front" businesses to disguise their activity.

However, several government sources told AFP they were aware of only one group, known as "Free Vietnam" (Vietnam Tudu), and said it had only several hundred members and lacked any significant organizational structure or weapons.

"They say they can recruit up to 20,000 men, but we have no evidence of that," a senior Interior Ministry official said.

Meanwhile, the official said the Cambodian government has requested the U.S. Embassy here to remove six Vietnamese-Americans thought to be the leaders of the Free Vietnam movement.

A U.S. Embassy official declined to comment on the existence of such a request.

The Interior Ministry official and other sources said that most of the group's rank and file had come to Phnom Penh from bases on the Thai-Cambodian border with anti-communist Cambodian resistance movements after the 1991 Paris Peace Accords which ended Cambodia's four-sided civil war.

"Since then they have done nothing but talk," said one source familiar with the group.

But a member of that group met at least once with Cambodian officials to explain their goals and ask for their help, the sources told AFP.

At a June meeting of the Council of Ministers, the Cambodian government rejected any form of assistance to the group, according to one source who attended the meeting.

"There is no way we are going to support this group or any group involved in this kind of movement," the source said. "It is opposed to our constitution which requires neutrality and besides we will not support any group established to fight any neighboring, friendly country."

The source said the government had not acted against Free Vietnam because they had done nothing illegal so far.

"What can you do with people who just walk on the street" the source asked rhetorically. He said the group may be armed, but that with weapons easily available in Cambodia, that was not surprising.

"I have guns in my house, but that does not mean I have the means to overthrow a government," he said.

Even though the group or groups stand little chance of achieving their goal against one of the most powerful military machines in the world, the Post reported that officials in Hanoi were alarmed by their existence.

Vietnamese Embassy officials in Phnom Penh were not immediately available for comment but the Post, citing sources in Hanoi, said officials had raised the issue with U.S. Secretary of State Warren Christopher when he visited the Vietnamese capital in early August to establish full diplomatic relations.

Christopher pledged full cooperation to thwart the group's activities in the U.S., the Post said.

U.S. Ambassador to Cambodia, Charles Twining, said he was aware of the Free Vietnam group but that the US had no involvement with them.

"We don't want to support any group that interferes with improved relations (between the U.S. and Cambodia and Vietnam)," he said.

**Commentary on Cambodia's International Prestige***BK0311153095 Phnom Penh National Radio of  
Cambodia Network in Cambodian  
1300 GMT 2 Nov 95*

[Political commentary: "The International Position of the Kingdom of Cambodia"]

[FBIS Translated Text] In the past two years following the seething war that lasted for 23 years, the Kingdom of Cambodia [KoC] has been at peace and is moving toward development, social justice, and prosperity.



The KoC has passed through the darkest era. The National Assembly is now arranging for the KoC to have proper laws, respect for human rights, multiparty participation, a liberal democratic system, and freedom of opinion as defined in the Constitution.

This is not an easy task because our people are very poor. This success, although it is just a beginning for our country and a path for us to continue moving on, has been achieved through great sacrifices made by the Cambodian people of all strata under the wise leadership of our revered king.

At the same time, it has been achieved through the generous donor countries, which have given us aid in time of emergency as well as in the national reconstruction period. Moreover, the international organizations for development are also helping us to modify the civilian administration in the KoC.

The other agencies of the United Nations have also excellently fulfilled their work in the KoC. These agencies include the UNICEF, UNESCO, FAO, and the World Food Program.

We, Cambodians, would like to express our profound gratitude to the UN members for all of this valuable aid. We would like to thank the United Nations for helping our Cambodian people obtain freedom over the past two years and more through the general elections.

In the international arena, the KoC [words indistinct] misery of the people in former Yugoslavia and the KoC would like to call on all warring factions there to cooperate with the United Nations.

In the Middle East, the KoC would like to express its joy at the signing of the peace agreement — a historically significant event — between Israel and the Palestinian people.

In the development of the Southeast Asian region, the KoC is waiting for the time when it can become a full-fledged member of the ASEAN.

All these things have caused the KoC's international prestige to soar once again. This is in comparison with a number of countries such as Afghanistan and former Yugoslavia, which have just emerged from war.

The KoC is the only Southeast Asian country that has asked the UN secretary general to send his special envoy in charge of human rights to personally inspect this work in Cambodia.

All of this is why various countries recognize and support the Royal Government of Cambodia.

No one is paying attention to the Khmer Rouge rebels, despite their all-out efforts in calling for talks.

#### **Agriculture Official: No Food Shortage in 1995**

BK0611095495 Phnom Penh REAKSMEI  
KAMPUCHEA in Cambodian 4 Nov 95 p 4

[Report by N. Sranaoh]

[FBIS Translated Excerpt] Despite the mid-season drought and the flood at the end of the season, the rice crop has not suffered very heavily as it did last year.

Agriculture State Secretary Chhea Song told REAKSMEI KAMPUCHEA that this season's rain has been well distributed. This has allowed farmers to begin planting early. By mid-season, only Kampot Province, Tram Kak District of Takeo Province, and Kompong Speu Province had not received enough rain. Water came late in areas along river banks, thus allowing subsidiary crops to be harvested on time without any losses. Over 1.8 million hectares of rice had been planted nationwide by 27 October, or over 90 percent of the plan. [passage omitted]

Chhea Song also said that, according to experts who have inspected the situation in many provinces and consulted with local authorities and farmers, this year's rice crop is generally a lot better than last year's. Some places yielded only one tonne per hectare last year. This year, however, the yield will not be less than 1.5 tonnes. Based on this increased yield and the good crop, there should not be any food supply shortages this year. [passage omitted]

#### **Draft Law on Women's Affairs Ministry Viewed**

BK0611110295 Phnom Penh REAKSMEI  
KAMPUCHEA in Cambodian 5 Nov 95 pp 1, 2

[Report by Srei Neat]

[FBIS Translated Excerpt] The Royal Government has already drafted a law to upgrade the State Secretariat of Women's Affairs to the Ministry of Women's Affairs, which will have a woman minister and not a male minister as it does now.

It is expected that this draft law will be debated soon. To what job will Kiet Sokun, who is currently state secretary at the State Secretariat of Women's Affairs, go if the law is adopted by the National Assembly? According to this draft law, he will automatically lose his job.

Koem Sokha, chairman of the National Assembly's Commission for the Protection of Human Rights and for Receiving Complaints, told REAKSMEI KAMPUCHEA by telephone on the afternoon of 3 November that he is aware of the government's plan, but it has not yet been debated. He said such a plan is discriminatory and should not be proposed. [passage omitted]



It is not yet known whether such a proposal will receive support from the majority of Assembly members. A government official said that the reason for appointing a woman to this ministry is because it is a ministry for women, carrying out women's work, and promoting women.

According to another unofficial source, after the National Assembly adopted this bill and after its promulgation, work will begin to organize the ministry or the State Secretariat for Women. Current women Assembly members will be selected for the job. It should be recalled that there are currently six women who are people's representatives in the National Assembly—namely, Ki Lum-ang, Som Kimsuo, Prak Chantha, Men Sam-an, Nin Saphon, and Sam Kanitha.

Some sources have say that this job will go to Sok Huo, who is currently special adviser on women's affairs to First Prime Minister Prince Krompreah Norodom Ranariddh.

There are some opinions that this plan seems aimed at removing Kiet Sokun, who comes from the pro-Son Sann faction of the Buddhist Liberal Democratic Party.

A reliable source said that work to force out Samdech Son Sann's faction from the Royal Government and the National Assembly will continue to be carried out; the only difference is that it will be done more carefully.

#### **Printing of 6 Papers Stopped for Fear of Violence**

*BK0811034395 Bangkok BANGKOK POST in English 8 Nov 95 p 8*

[AFP Report]

[FBIS Transcribed Text] Phnom Penh — FEARING mob violence, a printing house has decided to stop printing six newspapers that have been critical of the government, a newspaper publisher said yesterday.

The owner of the plant told customers that he did not want to become involved in politics and feared his business would be targeted by violent mobs, said Dam Sithi, the publisher of Khmer Conscience.

Most other printing houses in Phnom Penh earlier had refused to print the papers, all bi-weeklies: Khmer Conscience, Khmer Ideal, Morning News, New Liberty News, Voice of Khmer Youth and Wat Phnom.

About two weeks ago, the office of the New Liberty News was ransacked by about 100 people who beat an employee and torched thousand of copies of the paper.

The publisher said he believed they were supporters of Co-Premier Hun Sen. The paper has criticised an irrigation project supported by Hun Sen.

Freedom of the press is guaranteed by the constitution, but actual practice has been quite different even though the government emerged from a 1993 election that was organised by a huge UN peacekeeping operation.

The government comprises leaders of former autocratic regimes, and has suppressed most political opposition and criticism.

#### **Threat To Close Down Printing Houses Criticized**

*BK0911131495 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 8 Nov 95*

[FBIS Translated Text] The two heads, the one-eyed Hun Sen, and Sar Kheng—the out-and-out communist Vietnamese lackeys — have ceaselessly threatened and harassed newspapers and the printing houses that print the newspapers. They have recently threatened to close down six printing houses that they claim are printing newspapers that do not belong to communist Vietnam.

The masses and people unanimously hold that if printing houses are not allowed to print newspapers, how can their businesses continue? What else can they print?

This proves that the two heads, the one-eyed Hun Sen, and Sar Kheng, who are out-and-out communist Vietnamese lackeys, have not only acted in a dictatorial and fascist manner against the newspapers but have also acted in the same manner against the printing house owners by suppressing their right to do business. They have also suppressed the rights of traders at market places to do business; they have banned businessmen in Phnom Penh and in Kompong Chhnang and other provinces from doing business. That is, they have forbidden Cambodians to pursue their trade while allowing Vietnamese men and women to operate at will.

The nation-betraying and nation-selling puppets, who are out-and-out communist Vietnamese lackeys, have killed Cambodians using all kinds of methods. Therefore, if they are left untouched, all Cambodians will die. The Cambodians should join hands to carry out all forms of struggle to end the communist Vietnamese war of aggression, to terminate the nation-betraying and nation-killing two-headed regime, and to liquidate the five communist Vietnamese dogs, namely the one-eyed Hun Sen, Chea Sim, Sar Kheng, Heng Samrin, and Tie Banh, allowing the Cambodians to survive.



**Government's Outlawing of New Party Criticized**

*BK0911072495 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 8 Nov 95*

[FBIS Translated Text] At communist Vietnam's behest, the two heads, including the one-eyed Hun Sen and Sar Kheng, have recently suppressed the rights of a newly established political party. Upon hearing this news, the masses, the people, the students, and the political personalities from all circles in Phnom Penh became extremely furious and have vehemently denounced the two heads.

The traitors have alleged that the party is against the law. What law? Of course, it is the law of the communist Vietnamese aggressors and the nation-betraying, nation-selling, and nation-killing clique.

The masses, the people, the students, and the political personalities have urged in unison that the entire Cambodian national forces be united in their fight to end the communist Vietnamese war of aggression, to dissolve the communist Vietnamese puppet regime, and to establish a regime of an independent and sovereign Cambodian nation in which all of the Cambodian factions and political parties participate. This would allow the Cambodian nation and people to liberate themselves and to regain their democratic rights and freedom.

The five top traitorous ringleaders, namely Hun Sen, Chea Sim, Sar Kheng, Heng Samrin, and Tie Banh, must be eliminated absolutely.

**Khmer Rouge Denounce 'Psychological Warfare'**

*BK0911080195 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 8 Nov 95*

[Statement issued by the spokesman of the Provisional Government of National Union and National Salvation on 8 November; place not given — read by announcer]

[FBIS Translated Text] 1. Lately, the two heads — the out-and-out lackeys of the communist Vietnamese aggressors — who are agonizing and whose days are numbered, have stage-managed another antiquated buffoonery in Sisophon by claiming, in the most deceitful and stinking manner, that resistance troops have surrendered to them.

2. The spokesman of the Provisional Government of National Union and National Salvation [PGNUNS] denounces and categorically and totally rejects the base and stinking farce staged by the nation-betraying two heads, who are the out-and-out lackeys of the race-exterminating communist Vietnamese aggressors.

The psychological warfare conducted by the two heads — the out-and-out lackeys of communist Vietnam and the alliance — who are agonizing and who are at death's door, can fool or deceive no one. The entire Cambodian nation and people are unambiguously aware of the true nation-betraying, nation-selling, nation-eradicating, and people-killing nature of the two heads, with the goons Hun Sen, Ranariddh, Chea Sim, and Sar Kheng as their top fascist ringleaders.

3. The regime of the traitors Hun Sen, Ranariddh, Chea Sim, and Sar Kheng has already completely collapsed and decayed in all fields and sectors. The deceptive propaganda warfare, the manipulative psychological warfare can in no way save the two-headed regime. The regime is disintegrating and its days are numbered due to the struggle jointly carried out by the people in the rural and urban areas to blow their heads off, to send them to hell. No Cambodian wants to die as a traitor to the nation by joining the administrators of the two heads, the communist Vietnamese puppets.

The Cambodian nation and people and their resistance forces are very proud and delighted to have been able to struggle for 17 years with courage and bravery against the communist Vietnamese aggressors and the nation-betraying two heads to safeguard the Cambodian nation, people, and race.

The resistance forces of the nation and people are staying with the latter forever as the ardent, courageous, and valiant patriots and as the nation's saviors. They are joining forces to continue the struggle in rural and urban areas with a view to putting an end to the communist Vietnamese war and terminating the regime of the two heads — the out-and-out communist Vietnamese lackeys — to achieve national reconciliation and to set up a genuinely national government.

8 November 1995.

The PGNUNS spokesman.

**Indonesia**

**Outlawed Communist Party Blamed for 'Incidents'**

*BK0811042095 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 8 Nov 95*

[FBIS Translated Text] The Armed Forces of the Republic of Indonesia [ABRI] says several recent incidents have always resulted in violence and there have, thus, been indications of communist ways to destroy the current system.

Speaking to reporters in Jakarta, Brigadier General Suwarno, head of the ABRI Information Center, said all



the riots involved ways known to ABRI. Those people exploited the situation and disseminated rumors and their action ended in violence.

According to Brig. Gen. Suwarno, activities by the [outlawed] Indonesian Communist Party [PKI] have even reached the second stage in Central and East Java where the hammer and sickle as the symbol of communism has been displayed publicly. Several major incidents believed to have been linked to PKI include the Flores, Dili, Kerinci, and Purwakarta incidents.

#### **Rebel Leader Accused of Staging Dili 1991 Riots**

*BK0811034095 Jakarta GATRA in Indonesian  
21 Oct 95 pp 24, 25*

[Correspondents Genot Wijoseno and Nur Hidayat interview with Wendy Holland, Fretelin leader Ramos Horta's former live-in Australian girlfriend in Jakarta—date not given]

[FBIS Translated Text] [correspondent] As far as you know, why did Ramos Horta abscond to Australia?

[Wendy] When the situation in Dili was deteriorating, Horta flew to Jakarta and met Adam Malik, the former Indonesian Vice President. Integration would be handed to Horta only after the Indonesian Government approved three demands — to provide funds for his education; to be given an important position (as governor) if East Timor became an integral part of Indonesia; and for the Indonesian military to train Fretelin [Front for an Independent East Timor] guerrillas in preparation for East Timor's independence. However, Adam Malik rejected all the demands. Horta then left for Australia.

[Correspondent] Why did you hate Horta so much?

[Wendy] Horta exploited and cheated the East Timorese for his personal interest. For the last 20 years, he conducted international campaigns seeking funds for the anti-integration movement. The churches, the Japanese international assistance agency, the Angolan Government, and others were ever willing to give him such assistance. Also, there were war compensation funds which were claimed from the Australian and Japanese Governments and also from the Indonesian Government. He stashed all the funds in his personal account. Horta has an account with the Swiss Bank Corporation with an account number C8-114-IIS-0-31320249 and another account with Primerica Bank in New York bearing the account number 4339-0782-8921-007. He also kept another account with Smith Barney Vantage in New York number CS-114-115-0-ICE.

[Correspondent] Could it be possible that the funds for the anti-integration movement were kept under his name?

[Wendy] Horta only taught journalism in Australia and his annual salary was A\$18,000 [Australian dollars]. How could he afford to live extravagantly in a posh hotel? How could he afford to purchase a house in Portugal? How could he afford to buy expensive Italian clothes and other extravagant accessories? He also went on vacations whenever he liked. In fact, he stated that he was penniless in the letters he wrote to the World Council of Churches and to my mother (Wendy displayed those letters). I supported him when we lived together in Australia from 1974 to 1992. I even bought him clothes.

[Correspondent] How did you acquire all the evidence?

[Wendy] I accidentally found a Swiss bank account document one day in 1992. The amount was about U.S.\$1 million (approximately 2.2 billion rupiah). I asked him whose money it was and where it came from. He told me that it belonged to a friend. On the following day when he was away I found more bank accounts. The bank accounts were in Portugal, the U.S., and Switzerland. I also discovered a number of credit cards belonging to him. He likes credit cards. I was confused. It was clear that he was living extravagantly. Besides, there were also photographs.. Oh, my God! of naked women. There was also a photograph of him naked. It was evident that I had been cheated on. That was why I dropped our wedding plans.

[Correspondent] Have you exposed this to the Australian community?

[Wendy] I have repeatedly exposed this to the Australian press. However, they did not believe any of it. However, there are a few, namely the NEW IDEA magazine that carried only a portion in its early 1994 issue. I also mentioned a murder which he committed. That was why he took legal proceedings against me.

[Correspondent] Murder?

[Wendy] Yes. Horta murdered an Apodeti (pro-integration party) member in August 1974 on a hill in Maubessy district, East Timor. The victim wanted to expose Horta's antics to the higher officials of Fretelin. Horta repeatedly stabbed his victim in the buttocks. The victim was then buried in a forest on a hill in Maubessy district. I must admit that I collaborated with him. I hid the knife. Horta urged me to dispose of the knife, but I kept it.

[Correspondent] As far as you know, does Horta have foreign connections?

[Wendy] He is constantly going abroad, such as to Angola. I have also seen a document which revealed that he made contact with Fretelin members in the



Netherlands and Sumatera. However, I have forgotten the name of the group in Sumatera. It was only a small one with less than 10 members.

[Correspondent] Is it true that he has connections with small groups in Malaysia, Thailand, the Philippines, and Australia?

[Wendy] It is true. Moreover, he has connections with a small and inactive solidarity group in Japan. This particular group is affiliated to several Japanese industries that export to Portugal. These industries provide Horta and the group with funds.

Apart from this, he has wide connection with several Fretelin-type separatist groups in numerous countries. In Australia, he ran a diplomatic training program specially designed for activists of separatist movements from various Third World countries at the University of [New] South Wales. He taught the activists how to tackle the mass media or cooperate with the United Nations.

[Correspondent] Has Horta any connection with Bishop Belo?

[Wendy] (She was seen to be cautious when responding to this question). To the best of my knowledge, Horta constantly mentioned Bishop Belo's name when I was with him. I think Bishop Belo already knew of Horta's character. However, I think this is irrelevant. Moreover, Horta frequently tarnished the image of East Timor's Catholic churches through his manipulation of their funds. The churches did not receive the actual funds. Probably, he and Bishop Belo had met previously. To my knowledge, Bishop Belo was never involved in Horta's problems. It was possible that I was unaware of their other secret meetings. However, I am sure that Bishop Belo was never involved.

[Correspondent] You said earlier that Horta has connections with the Catholic Church.

[Wendy] What I meant was that he had connections with the World Council of Churches and not with the Catholic Church in Dili. How could he acquire funds if he cooperated with the Catholic Church in Dili which is poorly funded?

[Correspondent] What about Horta's connections with Xanana Gusmao who was arrested in 1992?

[Wendy] Xanana did not appear when I was in East Timor. Horta himself had never said anything about Xanana. As far as I can remember, when Xanana was arrested and detained, Horta repeatedly said he would relentlessly find an attorney for Xanana. However, in fact, he was spending most of his time watching TV.

I think Horta was more at ease with Xanana sitting in prison so that he would not lose his own popularity.

[Correspondent] Did Xanana know, in any way, that Horta was being deceitful?

[Wendy] I was told that Xanana's family had told him everything about Horta. However, I honestly don't know what Xanana thought about Horta.

[Correspondent] What benefit did Horta acquire from the clandestine movements?

[Wendy] In fact, Horta's clandestine network had already been formed and was only waiting to be activated. When foreign officials from a country expressed their desire to visit East Timor, Horta would send his courier to that particular country to inform the officials of the appropriate time for such a visit. Horta's other contact had already been stationed in that country. Generally, his message would be conveyed in a cassette tape. This happened also during the 1991 tragic Dili incident. Why did numerous foreigners suddenly appear at the scene and why were they able to record the tragic incident? This was because it was planned. I believe he planned and arranged numerous activities in East Timor.

[Correspondent] Did you expose Horta's disgraceful character because of anger?

[Wendy] That is not true. I am only trying to explain to people Horta's true character. He is insane. He only wants sensational reports about himself. He has no desire whatsoever to hold any discussions with Indonesia. In any case, should a dialogue be held to settle the problems, then Horta would never again receive the attention that he so desires. As a result, he would not have any more funds and would definitely lose his position.

#### **Police Chief: 30 in Dili Unrest Face Prosecution**

*BK0711045895 Hong Kong AFP in English  
0434 GMT 7 Nov 95*

[FBIS Transcribed Text] JAKARTA, Nov 7 (AFP) — Thirty people will appear in court in January on charges ranging from murder to causing a public disturbance following last month's violent unrest in Dili, the East Timor capital, police said Tuesday.

Dili Police Chief Colonel Andreas Sugianto told AFP by telephone Tuesday that the 30 suspects, natives of the area aged 20 to 35, would be prosecuted for crimes including murder, vandalism and public disturbance.

He did not give any further details except to say "none of them are students."



"We are processing the paperwork, which will be given to the Dili State Court by next month at the latest," he said.

Sugianto said that a total of 182 people were arrested during the week-long clashes in Dili in which two people were killed and more than 24 injured.

The remainder had been released but were required to report to police regularly, he said. Police were still searching for more suspects.

The October clashes, involving hundreds of youths, were sparked by the arrest in September of more than 20 people involved in religious disturbances in Dili.

The September unrest came after a Muslim official allegedly made insulting remarks about the former Portuguese territory's dominant religion, Roman Catholicism.

Sugianto said the court hearings stemming from the September clashes would start later this month.

Indonesia, a predominantly Muslim country, invaded East Timor in 1975 and annexed it the following year. The move has not been recognized by most countries and the United Nations still considers Portugal as the administrative power.

#### **Netherlands Rejects Request for Timor Asylum Bid**

*BK0811015295 Jakarta ANTARA in Indonesian 1944 GMT 7 Nov 95*

[FBIS Translated Excerpt] Jakarta, 7 Nov (ANTARA) — The Netherlands Government has rejected a request for political asylum by eight East Timor youths who have been inside the Netherlands Embassy in Jakarta since 1230 West Indonesian Standard Time [0530 GMT] on Tuesday, Ghaffar Fadyl, director for foreign information of the Department of Foreign Affairs, said.

"The Netherlands Government has rejected the request, but Portugal is ready to accept them. Their departure will be processed and arranged with the assistance of the International Committee of the Red Cross [ICRC]," Ghaffar told ANTARA in Jakarta on Tuesday evening.

Ghaffar said he did not know when the eight youths would leave for Portugal.

When contacted, Netherlands Embassy Political Counselor Ed Hoechs, however, declined to confirm the rejection.

"We are awaiting the latest news," he said without elaborating.

He said he had reported the first ever incident in the embassy to his government, and was making contact with Indonesian authorities.

Hoechs said the eight East Timor youths quietly entered the Netherlands Embassy and acted like ordinary visitors. They immediately asked for political asylum as soon as they were inside.

When asked about the motives of the eight youths, Ghaffar Fadyl said the asylum seekers had no clear motives.

"They are not political fugitives. Neither are they under persecution. If they want to leave Indonesia, please feel free to do so," he said. [passage omitted]

#### **Dutch Spokesman: No Comment**

*BR0811161095 Rotterdam ALGEMEEN DAGBLAD in Dutch 8 Nov 95 p 1*

[Unattributed report: "East Timor Youth Taking Refuge in Netherlands Embassy"]

[FBIS Translated Text] The Hague — Portugal is willing to accept the eight East Timor youths who took cover in the Netherlands Embassy in the Indonesian capital Jakarta yesterday.

This was announced by the Foreign Ministry in Lisbon. The East Timor youths had requested asylum in the Netherlands. The eight youths had forced their way onto the embassy grounds, which are guarded by Indonesian policemen. It reportedly came to a fight.

The Foreign Ministry in The Hague said that it knows the identity of the East Timor youths, but refused to disclose any more details. "I suppose the Indonesian and Portuguese authorities will be contacted as soon as possible," a spokesman in The Hague stated.

He was unable to confirm or deny the AP report claiming that the asylum request had been rejected by The Hague. The news agency had based its report on a statement by Embassy Spokesman W.G. Roos in Jakarta.

According to a spokesman for the Indonesian Foreign Ministry, the eight East Timor youths "are free to go wherever they want, including the Netherlands."

The status of East Timor, a former Portuguese colony annexed by Indonesia in 1975, has never been officially regulated. The United Nations has refused to recognize Indonesian rule over the island.

#### **East Timor Asylum Seekers Leave for Lisbon**

*BK0911032295 Jakarta ANTARA in Indonesian 2054 GMT 8 Nov 95*

[FBIS Translated Excerpt] Jakarta, 8 Nov (ANTARA) — Eight East Timorese youths, who entered the Netherlands Embassy to seek political asylum on 7 November,



finally left Jakarta for Portugal Wednesday evening at about 1930 West Indonesian Time [1230 GMT] aboard a KLM [Netherlands airline] flight.

"They left the Netherlands Embassy at about 1810 in a car belonging to the International Red Cross Committee," Ed Hoeks, the embassy's political counselor, told ANTARA in Jakarta Wednesday.

The eight youths are Alvaro Martins, 27; Antonio da Costa Rangel, 21; Jose Luis L, 20; Vasco da Conceica, 25; Nixon Joao do Alves, 22; Ivan Manuel Soares, 20; Jose Freitas da Cruz, 20; and Jose da Leong, 22.

Hoeks said the eight youths left for Portugal following an agreement reached by the Indonesian and Netherlands Governments.

The East Timorese youths had entered the embassy grounds at about 1230 West Indonesian Time on Tuesday as if they were ordinary visitors. However, as soon as they were inside the embassy, they demanded political asylum.

Commenting on the youths' motive to seek political asylum, Ghaffar Fadyl, director of the Foreign Information Service of the Foreign Affairs Department, admitted he saw no clear motive behind the incident. "They are not political fugitives and under no harassment by the government. If they want to leave Indonesia, they are free to do so," he said. [passage omitted on previous asylum-seeking attempts]

#### **Some Foreigners 'Asked' To Leave East Timor**

*BK0911142995 Jakarta ANTARA in Indonesian*  
1030 GMT 9 Nov 95

[FBIS Translated Excerpt] Jakarta, 9 Nov (ANTARA) — Immigration authorities confirmed in Jakarta on Thursday that they asked a number of foreigners to leave East Timor some time ago. Presently there are no foreigners without clear purpose in the region.

Rahardi Suroprawiro, director for immigration control and suppression of the Directorate General of Immigration of the Department of Justice, said they were asked to leave the region out of concern for their own security because there may be protests to mark the anniversary of the 12 November 1991 Dili incident.

There are also fears that the presence of the foreigners could encourage East Timorese to hold protests over the incident that claimed 50 lives.

"Immigration authorities have the authority to monitor the movement of foreigners in accordance with the Immigration Law," Rahardi said. [passage omitted]

Rahardi said the foreigners were not deported because they were simply asked to leave East Timor, not Indonesia.

He did not say how long the request for them to stay out of East Timor would last.

Rahardi said he did not know precisely the number of people asked to leave East Timor.

Meanwhile, Brigadier General Suwarno Adiwijoyo, head of the Information Center of the Armed Forces of the Republic of Indonesia [ABRI], said East Timor immigration authorities must have had a strong basis to ask the foreigners to leave Dili.

"The immigration authorities have their own reasons to do that. Perhaps those people did not comply with the legal procedures needed to visit an Indonesian region. That is perhaps the reason," he said when contacted in Jakarta on Thursday.

"Please ask the Directorate General of Immigration for clarification," he said in reply to an ANTARA question over whether the request was made by ABRI.

According to Brig. Gen. Suwarno, those people seem to have been deliberately invited by certain parties to attend the planned commemoration of the fourth anniversary of the Dili incident. [passage omitted]

#### **'Activists' Deported, Barred From East Timor**

*BK0911055195 Hong Kong AFP in English*  
0536 GMT 9 Nov 95

[FBIS Transcribed Text] JAKARTA, Nov 9 (AFP) — A group of activists from different countries planning to visit the former Portuguese colony of East Timor, have been blocked from boarding a flight in Bali, one of them said from there Thursday.

Another similar group of activists, already in Dili, were taken away from their hotel Thursday and were believed to have been taken to the airport for deportation, a source in Dili said by telephone.

Anglican minister Ann Baten from New Zealand, told AFP by telephone from Bali that her group, which included 15 people, had been barred from taking a commercial flight to Dili East Timor.

"Immigration officials told us we could not take the flight," Baten said, adding that no precise reason was given.

Baten's group included Church prelates from Japan and New Zealand, a senator from Ireland, a member of the European parliament, and several journalists. The group, and the one already in Dili, were planning to mark the



4th anniversary of the 1991 Santa Cruz Dili massacre that falls on November 12.

The source in Dili said he saw nine activists already in Dili being taken away by two taxis from the hotel they were staying in. Around 10 plainclothesmen came to the seaside Turismo Hotel and told them all to pack up and leave with them early Thursday, the source said.

"I believe they were brought to the airport," the source, who requested anonymity, said.

However, he added that Melbourne Bishop Hilton Deakin, was allowed to stay. Deakin was in Dili as a guest of the local diocese.

The Dili group of activists, three Filipinos including columnist Ceres Doyo, Namibian MP Daniel [name indistinct], an Australian aborigine poet, two Americans from the New York-based Human rights group Freedom House, a German and an Australian, the source said.

An Indonesian activist, Andreas Harson who was in Dili to report for the West Australia daily, was summoned to the local military headquarters for questioning, the source added.

Two Australian journalists, who were in town ahead of the Dili massacre anniversary were also told to leave East Timor Thursday.

Indonesian troops fired into a pro-independence demonstration at the Santa Cruz cemetery in Dili on November 12, 1991, leaving scores of civilian dead and injured.

The official tally said that about 50 people had died in the incident while the whereabouts of at least an equal number of people has remained since unknown.

Other sources, including witnesses, have put the tally at up to 200 deaths.

On Tuesday, military authorities in Bali barred leading Indonesian human rights activist Johannes Princen from taking a flight to Dili, saying that his visit might "spark unwanted disturbances."

Indonesian troops invaded East Timor in December 1975 and unilaterally declared it an Indonesian province the following year. The local pro-independence movement has since provided armed resistance against the Indonesian presence.

The United Nations and the majority of its member states continue to view Lisbon as the administrator of the territory.

#### **ABRI Sets Up Team To Study F-16 Purchase**

*BK0811074095 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 8 Nov 95*

[FBIS Translated Text] The General Headquarters of the Armed Forces of the Republic of Indonesia [ABRI] has set up a team to study the purchase of a number of F-16 jet fighters from the United States.

ABRI Commander General Feisal Tanjung said the team will study the details of the payment. The commander was answering questions from reporters prior to a limited cabinet meeting on economic, financial, and trade affairs at the Bina Graha Presidential Office in Jakarta this morning.

On the number of aircraft to be purchased from the United States, Feisal Tanjung said everything will depend on the government's financial ability. According to the armed forces commander, the promotion of the people's welfare will remain the main priority of the development plan although sophisticated armament is needed.

[Begin Tanjung recording, in progress] ...because we give the main priority to the people's interests. Well, the development of ABRI is the second or third priority. Nevertheless, we should not lag behind technologically. We need to have weapons to deter possible threats against the sovereignty of the Republic of Indonesia. We already have some of them. Perhaps, we will become stronger if we have more. [end recording]

He said Indonesia should ideally have four squadrons of sophisticated jet fighters or 64 jet fighters.

U.S. President Bill Clinton offered to sell 28 F-16 jet fighters to Indonesia when he met President Suharto in Washington D.C. some time ago.

ABRI currently has only 12 sophisticated jet fighters to deter possible threats against Indonesia's sovereignty.

#### **Official's PRC Visit Marks 'New Dimension'**

*BK0611102795 Jakarta KOMPAS in Indonesian 3 Nov 95*

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Five years after they normalized diplomatic ties, relations between the Republic of Indonesia [RI] and the People's Republic of China have reached their peak with the visit of Golkar [Functional Group] General Chairman H. Harmoko to the PRC at the end of October. His visit came at the invitation of the Chinese People's Political Consultative Conference [preceding five words in English] (CPPCC).



Apart from visiting Xinjiang Province in the western part of China, where the majority of the population is Muslim, Harmoko also visited the Chinese Communist Party's Cadre Training Center in Beijing.

An interesting thing to note from the visit by Harmoko, who is also Indonesia's information minister, is the existence of a new dimension in RI-PRC bilateral ties. This has been implemented not only by the two governments, peoples, and business communities, but also at the party level. Among the three sociopolitical organizations in Indonesia, Golkar is the first to make a formal visit to the PRC to meet the government and party leaders of Mainland China.

In his meeting with Li Peng, Harmoko said the Indonesian Government, particularly Golkar, welcomes the rapid and positive development of bilateral relations between the two countries. He said there is mutual co-operation between the two countries and both have contributed positively to the efforts to create a peaceful and prosperous world. [passage omitted]

#### **Italy Double Taxation Avoidance Treaty Ratified**

*BK0811072595 Jakarta BISNIS INDONESIA*  
*in Indonesian 2 Nov 95 p 4*

[FBIS Translated Excerpt] Jakarta (Bisnis) — Fuad Bawazir, director general of taxes has said Indonesia and Italy have agreed that the double taxation avoidance treaty will be effective as of 1 January 1996. This is applicable to Italian citizens who receive income from Indonesia and vice versa.

Fuad has said the double taxation avoidance treaty is aimed at attracting more Italian investors to Indonesia. "With the treaty, the tax on income investors receive can be managed under a special system," he added.

The specification for the treaty was announced in the Director General of Tax Circular No. SE-02/PJ.1012/1995, 6 October 1995. The instrument of ratification was exchanged between Indonesia and Italy on 2 September 1995.

The Indonesian Government ratified the treaty on 18 February 1990, and it was validated by President Suharto in Presidential Decree No.48/1990. Italy ratified the treaty on 15 February 1995.

"With the treaty, income received by Italian citizens from Indonesia or vice versa will abide by the Republic of Indonesia-Italy treaty of double taxation avoidance," Fuad said, citing the circular. [passage omitted on tax rate]

#### **Suharto on Open Economy, Free Trade System**

*BK0711142095 Jakarta ANTARA in Indonesian*  
*1038 GMT 7 Nov 95*

[FBIS Translated Excerpt] Jakarta, 7 Nov (ANTARA) — President Suharto has reiterated that the government will gradually abolish protection for small and large enterprises in order to reduce its involvement in them.

"In the international trade liberalization system, all nations have to compete with each other on the basis of their own economic effectiveness and efficiency," Suharto said in Bogor on Tuesday when he opened a refresher course on Pancasila state ideology.

Speaking before 97 rectors, deputy rectors, and deans from state institutions of higher learning, Suharto said that the big challenge Indonesia and other nations must face in the future is the open economy and free trade.

"We have to be prepared for the transition to an open economy and free trade system. If this is implemented suddenly, the new world economic order will become an arena for unfair competition between the industrialized and developing countries," Suharto said.

He said that developing countries will lose in the competition if the economic change is executed suddenly.

"One of the series of problems facing us now is that we need to be prepared to face the challenges and new opportunities brought about by the open economy and free trade," Suharto added.

Commenting on the future world economic problem, Suharto said that developing countries have ample time to prepare themselves before entering the year 2020, when free trade in the Asia-Pacific region is implemented.

"Actually, a 25-year period is not that long. For this reason, we should seriously consider new developments so that necessary steps can be taken," Suharto added, while speaking at length on economic issues.

Present at the ceremony were Sudharmono, chairman of the Pancasila ideology education team; Azwar Anas, coordinating minister for people's welfare; Mardiono, minister and state secretary; and Suprpto, head of the Pancasila upgrading agency. [passage omitted]

#### **Laos**

##### **Thai Foreign Minister, Delegation Arrive**

*BK0811140295 Vientiane Vitthayou Hengsat Radio*  
*Network in Lao 1200 GMT 8 Nov 95*

[FBIS Translated Text] His Excellency [H.E.] M.R. [Mom Ratchawong — member of royal family] Kasem-



samoson Kasemsi, foreign affairs minister of the Kingdom of Thailand and chairman of the Thai-Lao Cooperation Committee, and his delegation arrived in Vientiane via the Lao-Thai Friendship Bridge this morning. He was warmly welcomed upon his arrival at the Tha Naleng Immigration Station in Vientiane Municipality by H.E. Somsavat Lengsavat, Lao foreign affairs minister and chairman of the Lao-Thai Cooperation Committee.

The purpose of this trip to Vientiane by his excellency the Thai foreign affairs minister is to attend the fifth annual meeting of the Lao-Thai and Thai-Lao Cooperation Committees. The meeting was held this evening at the Lan Xang Hotel in the capital, Vientiane. This morning, prior to the meeting, H.E. M.R. Kasemsamoson Kasemsi met with H.E. Somsavat Lengsavat at the Foreign Affairs Ministry.

The meeting of the Lao-Thai and Thai-Lao Cooperation Committees is held once a year. It is alternately hosted by the Lao and Thai sides in the capitals of their respective countries.

#### Committee Meeting Opens

*BK0911140995 Vientiane KPL in English  
0923 GMT 9 Nov 95*

[FBIS Transcribed Text] Vientiane, November 9 (KPL) — The Lao-Thai Cooperation Committee opened yesterday at the Lan Xang Hotel their fifth meeting.

Taking part in the meeting were Mr. Somsavat Lengsavat, Lao minister of foreign affairs and president of the Lao-Thai Cooperation Committee (on the Lao side), Mr. Kasemsamosan Kasemsi, Thai foreign minister and president of the Thai-Lao Cooperation Committee (on the Thai side), high-ranking officials and technicians of the two sides.

The Lao foreign minister said before the meeting that each side took turn in hosting the annual meeting in its capital. At this meeting, the two sides will review the implementation of the joint minute of the previous meeting, and discuss the bilateral cooperation plan for the coming year.

The Thai foreign minister, Mr. Kasemsamosan Kasemsi, who is also president of the Thai-Lao Cooperation Committee, and his delegation arrived here yesterday morning through the Friendship Bridge across the Mekong River. The delegation was warmly welcomed at the Tha Naleng border checkpoint by the Lao foreign minister Mr. Somsavat Lengsavat.

#### Foreign Minister Speaks

*BK0911131895 Bangkok BANGKOK POST  
in English 9 Nov 95 p 6*

[Report by Saritdet Marukhathat in Vientiane]

[FBIS Transcribed Text] Thailand must put the Ban Rom Klao territorial dispute at the top of its agenda, for it is the final hurdle to progress in bilateral relations, according to the Laotian Foreign Minister.

Somsavat Lengsavat said that there had been a number of problems over the past five years, and one of them concerned the border area between the two countries at Ban Boten in Sayaboury [Laos] and Chattrakarn in Phitsanulok [Thailand].

Somsavat, delivering the opening speech of the fifth Joint Commission, called on his counterpart M.R. [Mom Ratchawong — member of royal family] Kasemsamoson Kasemsi, who co-chairs the talks, to put the issue at the top of the agenda.

"I'm of the view that the dispute should be urgently resolved," Somsavat said.

His remarks set the tone for the two days of discussions that end today, and the call is seen as opportune in light of substantial progress in economic and social ties.

He said yesterday's meeting was held in a "good atmosphere" which "bodes well for the two sides to tackle problems that remain, in order to accelerate future contacts".

The Ban Rom Klao dispute led to armed clashes and an ensuing series of acrimonious exchanges between the neighbours, which are very close in culture and language.

The issue was shelved after the end of the border war because Bangkok wants an overall solution to all other trouble spots along the 1,730-kilometre-long frontier. But Vientiane wants the Ban Rom Klao issue resolved first.

The two countries have carried out five joint surveys of the disputed area.

In an attempt to break the stalemate, Laos on Monday [6 November] proposed the Joint Boundary Committee, currently cochaired by deputy foreign ministers, to be upgraded to foreign ministerial level. Thailand agreed to the proposal.

Laotian President Nouhak Phoumsavan has appointed Somsavat to head its side of the committee in anticipation of a similar move from the Thai side.



Laos is trying to smooth out border problems with neighbours Thailand and Cambodia.

The Laotian minister urged Thailand to cooperate "seriously" with Laos in suppressing anti-government insurgency for mutual benefit and peace along the border.

Laos has accused Thailand of giving sanctuary to Hmong rebels.

"We have received good cooperation from Thailand regarding this matter, but the suppression has not been effective so far," he said.

Kasemsamoson in his speech assured his partner that Thailand would nurture its ties with Laos and would not do anything to cause trouble.

But bilateral cooperation had to be based on sincerity and mutual understanding, and the Thai Government put the priority on improving ties and cooperation with neighbours.

"We will cooperate and prosper together," he said. Thailand had no desire to dominate Laos economically, he added.

Thais are the leading investors in Laos with activities in more than 200 projects, besides being the main customer for Laotian electricity.

**Defense Minister Meets Thai Supreme Commander**  
*BK081115595 Bangkok Radio Thailand Network in English 0000 GMT 8 Nov 95*

[FBIS Transcribed Text] Supreme Commander General Wirot Saengsanit is on a visit to the Lao People's Democratic Republic to strengthen military cooperation between the two countries.

The newly appointed supreme commander held talks on Monday with the Lao defense minister, Lieutenant General Choummali Sai-gnason, on bilateral cooperation and enhanced relations. Attending the consultation were Chief of Joint Staff Forces General Mongkhon Amphonphisit and Acting Director General of the Lao General Staff Department Brigadier General Douangchai Phichit. The two sides agreed to solve their bilateral problems and conflicts through negotiations using hotlines for direct communication. They also agreed that meetings of local and regional leaders of the two countries on general matters can solve misunderstandings and border conflicts.

The Thai supreme commander and his party also presented saffron robes and 16 million kips, or 450,000 baht, to Lao Buddhist monks in Vientiane at the Kathin ceremony held on this occasion as a gift from the Thai military.

**More on Meeting**

*BK0811142895 Vientiane KPL in English*  
*0915 GMT 8 Nov 95*

[FBIS Transcribed Text] Vientiane, November 8 (KPL) — Lieutenant General Choummali Sai-gnason, minister of national defence of the Lao PDR [People's Democratic Republic], received here on November 6 morning at the ministry General Wirot Sengsanit, supreme commander of the armed forces of the Kingdom of Thailand, on the occasion of his trip to present 'Kathin' [religious] offerings to Vat Inpeng, Vientiane Prefecture.

During the cordial meeting, Lieutenant General Choummali Sai-gnason expressed his satisfaction over the gradual growth in the relations between the armies and peoples of the two nations, Laos and Thailand, particularly the cooperation in border security with an aim to turn the Lao-Thai border into the one of peace and friendship according to the aspiration of the peoples of the two countries.

**Foreign Minister Receives Russian Minister**  
*BK0811140895 Vientiane KPL in English*  
*0919 GMT 8 Nov 95*

[FBIS Transcribed Text] Vientiane, November 8 (KPL) — Foreign Minister Somsavat Lengsavat yesterday morning received here a Russian delegation headed by Mr. Y.V. Basin, minister of construction and chairman of the Russian-Lao Intergovernmental Commission for Economic, Commercial, Technical and Scientific Cooperation.

The foreign minister expressed his welcome and highly valued the Laos visit by the delegation of the Russian-Lao Intergovernmental Commission, which was described a contribution to strengthening the ties of friendship and cooperation between Laos and Russia.

Mr. Y.V. Basin informed the Lao foreign minister of the results of the meeting on bilateral cooperation held here.

**Japan Grants 500 Million Yen to Government**  
*BK0811140995 Vientiane KPL in English*  
*0927 GMT 8 Nov 95*

[FBIS Transcribed Text] Vientiane, November 8 (KPL) — The Government of Japan granted 500 million yen to the Lao PDR [People's Democratic Republic] as a grant out of the projected plan consisted in an exchange of documents signed yesterday at the Ministry of Foreign Affairs.

The grant which was approved by the Japanese prime minister, Mr. Tomiichi Murayama, to Laos during the



visit to Japan in late May by Prime Minister Khamtai Siphandon, will contribute to the socio-economic development in the Lao P.D.R. and gradually improve the Lao people's living conditions.

The documents were signed by Mr. Phongsavat Boupha, Lao deputy- minister of foreign affairs, and Mr. Masao Wada, Japanese ambassador to Laos, in the presence of the Lao-Japanese officials.

The Lao Embassy in Japan has recently delivered a cheque worth five million yen (Japanese currency) which was raised by Japanese people for the relief of victims of the recent flooding in the Lao P.D.R.

### Philippines

#### Police Note Arrival of Foreign Terrorists

*BK0911100895 Manila BUSINESS WORLD  
in English 7 Nov 95 p 10*

[FBIS Transcribed Text] A group of foreign terrorists, including the brother of the recently convicted Ramzi Ahmad Yusuf, has arrived in the country, police intelligence yesterday said.

Police Chief Recaredo Sarmiento confirmed having received intelligence reports that Ustadz Abubakar Abdurajak Janjalani, leader of local extremist group Abu Sayyaf, is in Manila to meet with the terrorists and plot actions against the government.

Officials refused to reveal the identities of the eight suspected terrorists even as Mr. Sarmiento said the reports have yet to be verified.

The Philippine Government helped build up the case against Mr. Yusuf by allowing the U.S. Federal Bureau of Investigation to use vital pieces of evidence gathered when he was in Manila last January.

Mr. Yusuf was linked to the plot to assassinate Pope John Paul II, the midair explosion of a Japan-bound Philippine Airlines plane, and was convicted over the bombing of New York World Trade Center. Police said Mr. Yusuf's group has links to the Abu Sayyaf.

#### Agreement Reached With SRV Over Spratlys

*BK0911092195 Quezon City DZBB Radyo Bisig Bayan in Tagalog 0800 GMT 9 Nov 95*

[FBIS Translated Text] President Fidel Ramos has revealed that the Philippines and Vietnam have agreed to avoid conflict in the disputed Spratly Islands and to follow a code of conduct.

Foreign Affairs Undersecretary Rodolfo Severino headed a Philippine delegation that held talks with Vietnamese officials in Hanoi recently.

Some of the countries that claim the Spratlys are China, Taiwan, Malaysia, and Brunei.

#### MNLF 'Ready' for Final Stage of Peace Talks

*BK0911073095 Manila MANILA BULLETIN  
in English 3 Nov 95 p 12*

[Report by Edd K. Usman]

[FBIS Transcribed Text] The Moro National Liberation Front (MNLF) rebels are ready for the third and final stage of the peace negotiations with the Philippine Government panel (GRP) in Indonesia on 27 November, an MNLF leader said yesterday.

"We are ready for the final stage of the peace talks with the government which will be held on the 27th of this month in Indonesia," MNLF Lt. Gen. Muslimen Sema, secretary-general of the group's Central Committee, said after arriving from New York City where he and other MNLF leaders met with the Organization of Islamic Conference (OIC).

Coinciding with the United Nations' 50th anniversary, MNLF leaders, headed by Nur Misuari MNLF chair; Sema, Sweden-based Farouk Hussin, the rebels' foreign affairs committee chairman, and others were asked by the OIC's "Ministerial Committee of the Six" to a meeting in the United States to assess the negotiations brokered by the Islamic group.

Sema did not reveal the results of their meeting with the OIC. He said he informed Arab leaders that the "peace process is proceeding very well" and that they expressed support for the negotiations for autonomy in Mindanao.

He said he was informed that former ambassador Manuel Yan head of the panel negotiating with the MNLF, and other Philippine panel members also met with OIC Secretary General Hamid Al-Ghabid and the OIC committee led by Indonesian Foreign Affairs Minister Ali Alatas.

The special OIC committee was formed by the Islamic group to look after the MNLF, which is the only group recognized by the OIC as representative of the Bangsamoro [Moro nation] people.

Sema said the 27 November date was suggested by the OIC secretary-general and concurred in by the ministerial committee.

He said the MNLF conveyed to the OIC the peace talks' bright prospects, saying they have never been as bright as before.

"We have been telling our people in Mindanao that, indeed, there is something to hope for in the peace



process, and that the MNLF has reposed its maximum confidence in the government's sincerity," Sema said.

He said the MNLF had persuaded the Moro Islamic Liberation Front (MILF) leadership to back the peace talks during their meeting in Indonesia last 12 October.

Early this month, MNLF Vice Chairman Hatimil Hassan, Gen. Yusuf Jakiri, chief of staff; Sema, and other MNLF leaders such as Al Amri and Dr. Tham Manjoorsa met with their counterparts in the MILF (Moro Islamic Liberation Front) to discuss "closer understanding, cooperation and, finally, unity with the MILF."

During the meeting, Ghaffar Ghadzalie, MILF vice chairman for public affairs; Hadji Murad, MILF chief of staff and vice chairman for military affairs, Mohagher Iqbal, MILF chairman on information, and other leaders agreed to form a joint working committee to find ways to achieve the goals.

Sema said MILF leaders had been persuaded to back the negotiations, even giving their commitment that "no action which will obstruct the talks will be taken by the MILF."

He said MILF leaders will await the results of the talks to see if the Tripoli Agreement will be implemented by the government "in letter and in spirit".

#### **Growth Area Launches Projects Worth \$270 Million**

*BK0911080795 Manila PHILIPPINE DAILY INQUIRER in English 7 Nov 95 p B5*

[Report by Lindablue F. Romero]

[FBIS Transcribed Text] About \$2.325 billion worth of joint venture agreements — including housing and infrastructure projects — were signed in Bandar Seri Begawan during a meeting among business groups of member-countries in the East ASEAN Growth Area (EAGA).

Presidential Assistant for Mindanao Paul Dominguez said the agreements were signed October 31. Dominguez said the additional projects bring the total to \$279 million worth of joint venture agreements covering 53 projects since the start of the EAGA initiative 18 months ago.

Among the projects approved were:

— Water supply distribution system in General Santos City through a build-operate-transfer scheme among Malaysian Puncak Niaga (M) SDN BHD [malaysia private limited], the General Santos City Government and Southern Mindanao Power Corp;

— Establishment of a coco coir (coconut husk fiber) facility in Jolo, Sulu worth P [pesos] 50 million between Malaysian Sara Fibre SDN BHD and the coconut planters of Jolo;

— Development of 5,000 units of low-cost housing worth P50 million between the Palawan Council for Sustainable Development and Malaysian Syarikat Pembinaan Fajar Baru (Rembau) SDN BHD; and

— Agreement on the water supply project worth P2.5 million between Puncak Niaga (M) SDN BHD and the Southern Mindanao Power Corp.

Dominguez noted during the fourth BIMP [Brunei, Indonesia, Malaysia, Philippines]-EAGA ministerial meeting the need to pursue concrete action to improve living conditions within Brunei, Indonesia, Malaysia, and the Philippines.

"If we are to uplift the standards of living of the residents of EAGA, strategic actions will have to be made by our respective governments to prepare our small and medium-scale enterprises to enter the harsh realities of the mainstream global economy," Dominguez said.

#### **Malaysia Airlines Inaugural Davao Flight Lands**

*BK0811043495 Manila MANILA BULLETIN in English 2 Nov 95 p B-7*

[Report by Bong Reblando]

[FBIS Transcribed Text] Davao City — The tourism industry in the East ASEAN Growth Area (EAGA) got another boost as the inaugural flight of the Malaysian Airlines (MAL) from Kota Kinabalu landed here yesterday.

With 60 passengers aboard led by Abdullah Mat Said MAL director, and Datuk Tham Nyip Shen, Sabah minister of tourism, the Boeing 737 plane landed at the Davao International Airport here at 2:20 p.m. yesterday.

Mat Said and Malaysian Ambassador to the Philippines Datuk Noor Adlan said the new air route will strengthen economic and cultural ties between Davao City, dubbed as the trade hub of the EAGA region, and Kota Kinabalu, a well known tourist destination in ASEAN.

"We are very much interested in developing the potentials of the tourism industry and related businesses in the two cities," Mat Said said during a press briefing.

"The inaugural flight is historic, and strengthens socio-economic and cultural ties between Kota Kinabalu and Davao City," Davao City Mayor Rodrigo Duterte said in his welcome address delivered at a program held at the Davao Insular Century Hotel.



Last week, Duterte led the city's delegation to Kuala Lumpur to promote Davao City as an investment haven to Malaysian investors.

He mentioned the P [Philippine pesos] 1.2-billion investment being poured by Malaysian conglomerate Ekhrad Berhab on Samal Island which is being developed into a world-class tourist destination, saying this is a manifestation of confidence by investors.

To complement efforts aimed at bolstering tourism and trade exchanges, Adlan announced the opening of a Malaysian consulate in Davao City by the end of this month.

He said the air linkage between Mindanao and Kota Kinabalu will generate socio-economic, political and cultural activities in the EAGA area.

### Thailand

#### Thanat Criticizes U.S. at UN Meeting on 30 Oct

BK0911051695 Bangkok THE NATION in English  
9 Nov 95 p A4

["Full Text" of Speech Given by Dr. Thanat Khoman, Former Thai Foreign Minister, to the Third Committee of the 50th Session of the United Nations General Assembly on 30 Oct]

[FBIS Transcribed Text] As the United Nations reaches maturity and celebrates its golden anniversary with the mighty taking the front rank, the strength of the world organization is being sapped by those who benefit most from it but fail to honour their obligation and return their support for its survival so that it can contribute its valuable services to mankind.

Why so? Probably, because the organization is less docile than a military alliance and may not respond more instantly to the beck and call of the lords and dominators who can think only of their own interests and glory. Or simply because they want to keep the UN as hostage.

The lust for domination and for imposing its will over the rest of the world is pervasive and extends from the political field to other areas, one of the most important among them is the narcotics drug business.

The drug affair became so acute that a war was waged. Thousands of troops and squadrons of war planes were used causing grievous loss in human lives and material destruction. The Panama invasion was launched, allegedly to capture a renegade general, who was not long ago a former partner of a former president. What happened to the partnership is not exactly known. Indeed, no one may ever know the true facts. The whole story was shrouded in unsolved mystery. The only thing we have been told from the Miami trial was

that General Noriega was involved in drug trafficking. In fact, the trial was hushed and the accused was kept incommunicado in a maximum security jail. This was the most famous drug mystery.

After the Panama war, narcotic drug has ceased to be an exclusively social problem, as most of us were earlier led to believe. Now, it has become an instrument of accusatory pressure to extort concessions of all kinds and also to shift the responsibility for keeping alive this scourge of humanity to a wrong place.

For that reason we applaud, although with reservation, President Clinton's decision to fight against drug cartels as well as drug money laundering. We cannot, however, give our full approval because he does not appear to accept the responsibility, as a consuming country, for the existence and the persistence of the drug problem. Indeed, it is an undeniable truth that as long as people in the consuming nations are willing to pay any price for the drug, its supply will always be in the offering, thus augmenting the seriousness of the problem. In other words, as long as there is demand, the supply side will be there to meet it. Unfortunately, the consuming countries have not done nearly enough to reduce, still less to terminate the consumption of that poison. What they have been doing is to pay lip service, "pass the buck" and shift the onus to the producing areas while keeping on themselves a veil of virtue.

Concerning the question of drug money laundering, there was also an apparent attempt to omit the important role this city and other big cities in this country play, as reported in THE NEW YORK TIMES this morning, as well as it is confirmed by the case of former Secretary of Defense, Clark Clifford, who was tried in a law court but was subtracted from the judicial proceedings by a political decision. Drug money laundering, it should be stressed, is very much an American phenomenon and while accusations are distributed left and right to divert attention, it cannot conceal truth as to where the real drug promotion centre is.

The producing areas, on their part, have been infinitely more conscious of their duties. They have, as in my country, Thailand, even as a transit route, reinforced repressive measures, as short term steps and also adopted hosts of long term measures like the promotion of substitution crops and the destruction of illegal cultivation.

In this connection what seems to be the right programme for United Nations and other international organizations to adopt is to strengthen cooperation between the consuming and producing countries, instead of playing hide-and-seek and to kick the ball into the other's court and assume an air of sanctimonious innocence.



In general, we regret to say that the drug problem has been marked by insincerity, not to say hypocrisy, in its treatment. The powerful party tries to sidetrack the issue and place the burden on the producing side through the use of worldwide media at its disposal. The truth nevertheless remains the unshakable responsibility of the consuming side which unceasingly fuels production by its increasing purchases. Lately, the control of production, distribution, and marketing have passed on to the underworld elements in western circles including this very place and other big cities as confirmed by THE NEW YORK TIMES this morning.

Continuing its policy of using drugs as a political instrument of pressure for extracting concessions, a major power used it on my country, Thailand. The weapon varies from country to country. For Japan, it was the opening of the market. For China, of course, it was human rights. For Thailand, the scenario has been cooked up into the foreign affairs department which used its diplomatic representative to make an accusation without valid evidence against some Thai politicians by linking the refusal of a US entry visa on that criminal ground. The accusation was communicated through diplomatic channel to the government at the time which made use of it to defeat the censure motion in Parliament. It was clear-cut interference into the internal affairs of another country.

What motivation lay behind this assistance which went deep into domestic realm? Political analysts opined in the sense that the former government was particularly "cooperative" to the point of reaching the limit set by the well-known song: "What Lola wants, Lola gets." The use of this unexpected item was probably meant to be a gesture of assistance to a favourite interlocutor.

However, a sticky legal point arose. Where in a civilized society can an accusation be levelled against somebody without credible hard evidence? Does it conform to practice adopted by the country or any civilized nation? The accuser, on his part, keeps maintaining that Thailand should believe it on its word (of the accuser), as a dogma, as it cannot reveal the evidence because of some existing laws governing intelligence matters. Unfortunately, as Buddhist, to believe in dogmas is contrary to the teachings of our religion which does not admit such a system.

Then, they finally gave our Foreign Minister some kind of verbal evidence by DEA operators which are found to be so ambiguous and inadmissible that the government did not dare pass it on to the Commission of Inquiry set up to examine the true facts.

As the government which received the favors through interference failed to return to office, the accuser is

embarrassed by the new government which set up a body to inquire into credible evidences.

The accuser who wants to maintain its infallibility then resorted to indecent threats. Cooperation with Thailand may be curtailed and applications for loans with the World Bank and the International Monetary Fund may be impeded by the accuser. Is all this the hallmark of an entity which professes to observe and; abide by the law? Or are we going to witness the revival of the era of dark imperialism which upholds that might is right?

World public has now a concrete case for its consideration.

1) Can accusation of a crime (in this case drug trafficking) be made against someone without supporting valid evidence? Most of us still believe that no condemnation without proof of guilt is not acceptable. [sentence as published] This is as valid as the adage of no representation without taxation or vice versa.

2) If credible evidence is available it should be produced without trying to evoke internal exception laws which are a pretext to hide the lack of hard evidences.

3) The resort to threats is a sign of weakness and irresponsibility. Only hooligans would use them. Similarly, the use of venal press to spread falsehoods and build up support and launch personal attacks is not an honourable method of presenting the truth. Only those who are afraid of the glare of truth would use distortion and misrepresentation.

4) If the accusing side is honest in its intention of fighting narcotics as it indicates in its official professions, it should begin with a real clean up of domestic centres like New York, Los Angeles, Houston; Miami, etc. where hundreds of American companies share the lucrative business of drug money laundering with cartels and not divert attention by making unsubstantiated accusations against others.

5) Concerning the charges against Thai nationals, the accuser should play a straight game. It should furnish incriminating evidence, if they are available, to the Thai authorities who will take whatever legal action is necessary, on the basis of valid and indictable evidences. It is now the moment to "put up or shut up". On the contrary, if a mistake has been made, its author should be brave enough to admit and not persevere in the wrong direction in keeping with the Latin adage: "Errare humanum est, perseverare diabolicum" (Too err is human, to persevere is diabolical). In other words, the accuser should be honest and a good sport; it should show courage by withdrawing forthwith the charges and the affair will have a happy ending.



**Banhan Vows To Reimburse Nynex for U.S. Flight**  
*BK0711045395 Bangkok THE NATION in English*  
 7 Nov 95 pp A1,A3

[Unattributed report]

[FBIS Transcribed Text] Prime Minister Banhan Sinlapa-acha yesterday said he would pay for the private flight provided by American telecom giant Nynex which took him and his family back and forth between New York and Wisconsin.

He said because of time constraints he had instructed "officials" to arrange a chartered round-trip flight and did not know where they had acquired the plane. The cost of the flight was US\$30,000 (about Bt750,000).

A well-informed source said Nynex, a shareholder in Charoen Phokkhaphan's TelecomAsia Corp Plc, chartered a Gulfstream II 12-seat executive jet to fly Banhan, his wife Khunying Chamsai, his daughter Kanchana, and four other people to Madison to visit Warawut, Banhan's son.

The group left New York on Oct 25 after attending the UN's 50th anniversary and spent a night in Madison before flying back the next day to New York.

The premier said he was contacting the aircraft company to bill him for the expense because the flight between New York and Madison was a personal trip, and he had the money to pay for it.

"The trip was scheduled well in advance, but the day before there were concerns we might miss [the flight back to Bangkok], so I asked officials to help arrange a small plane. In fact, I don't like small planes because they can only accommodate 10 people and they're very dangerous," Banhan said.

"I am contacting the owner of the plane to bill me for the expenses. There need be no worry about the expenses because [the trip] was my personal affair. You need not worry because I have the money to pay for it," he said.

The source revealed that the same aircraft which flew Banhan had earlier taken Deputy Prime Minister Amnuai Wirawan and his group from Washington DC to New York on Oct 24 to open an economic seminar arranged by the Thai-US Chamber of Commerce.

Amnuai expressed anger when approached by reporters yesterday for comments on the use of the plane, which was leased and paid for by a company involved in the state concession to install 2.6 million telephone lines in Bangkok.

The deputy premier said "it is normal for such a practice", and that the aircraft belonged to the telecom company. He added that whenever he travelled upcountry,

he usually borrowed other people's vehicles, not for his personal comfort but to speed up the trip.

Asked if Nynex's chartered plane arrangement would help the American company's business, and that of its partner Charoen Phokkhaphan, in Thailand, Amnuai expressed anger, refused to respond and quickly got into his car.

Government officials said Cabinet members, as high-level officials, are required by Cabinet resolution to fly Thai Airways International whenever they travel.

If the Thai national carrier does not fly the routes needed, the airline would help arrange flights for the officials, they added.

Fourteen press and television reporters and photographers accompanying Banhan on his US trip were told the premier and his family would travel on a commercial flight by United Airlines to Chicago where they would change for a flight to Madison. The commercial route from New York to Madison, including transit time in Chicago, takes about five hours.

The source said Nynex made a standing offer of the aircraft's use to Banhan quite some time ago, but the premier turned it down. His change of heart came one day before the trip as the chartered flight would cut travelling time to about 40 minutes, the source added.

Nynex is one of the most active American telecom firms in Thailand and the Asia-Pacific region. Its sponsorship strategy is similar to that of its partner, Charoen Phokkhaphan (CP), which has a strong behind-the-scenes political foothold.

Democrat MP Alongkon Phalabut yesterday criticized Amnuai's use of the word "normal" in his remark, saying it showed a lack of good political ethics.

He said making use of a private plane owned by a private company doing business with the government could create some expectations of privileges one way or another, and this is why the constitution has forbidden politicians to do such things.

**Banhan Adviser: Antimoney-Laundering Bill 'Joke'**  
*BK0911035095 Bangkok THE NATION in English*  
 9 Nov 95 pp A1, A2

[Report by Piyanat Siwalo and Parit Iamphongphaibun]

[FBIS Transcribed Text] A top legal adviser to the Banhan coalition yesterday spoke out against the proposed anti money-laundering law, indicating a possible government about-face on the bill despite growing pressure from the United States.



Adding to the uncertainties now shrouding the bill, the Council of State has reportedly questioned the wisdom of adopting the law and a leading opposition figure, former deputy prime minister Suphachai Phanitchaphak, commented yesterday that passing the bill now could put Thailand, which is seeking to be a regional financial centre, in a disadvantage.

PM's [Prime Minister's] Office Minister Phokhin Pholakun, whose views on legal affairs always reflects the government's stand, said the anti money-laundering legislation would overlap existing laws, in particular the 1991 Anti-Narcotics Act, which deals with drug-related activities including money-laundering.

"It's a joke," Phokhin said of the bill against money-laundering, which is being drafted by the Office of the Narcotics Control Board (ONCB).

Phokhin said he had carefully studied the Anti-Narcotics Act and the elements to be included in the draft bill and found they were almost identical. He suggested that the current 1991 anti-drug law be amended to cover a wider range of narcotics related money-laundering activities.

"No one would listen to me even if I kept talking until I died, because people think anyone against an anti money-laundering law is not a good person," he said.

"I would like to ask the people drafting the bill why they are not considering amending the existing law, which already deals with money-laundering. You do not use it, but instead draft a new law. Is this a joke?"

Phokhin's comment came after the Finance Ministry, whose stand is crucial to the bill's future, also voiced caution and skepticism. Observers say recent signals from the ministry, reports on the latest stand of the Council of State, and yesterday's remarks by Phokhin and Suphachai constituted a gloomy prospect for the bill.

Phokhin said the bill would deal only with narcotics-related money-laundering when in fact there were several other activities leading to money-laundering, including prostitution and contraband smuggling.

If the bill was passed into law, it would not deal with non-drug-related money-laundering. Furthermore, innocent people may be adversely affected by the law as authorities would be empowered to check assets of any suspects, Phokhin said.

He claimed the Council of State, the government's legal advisory board, also disagreed with a law against money-laundering because it would overlap existing laws and violate individual privacy. The council suggested the Anti-Narcotics Act be amended.

The council earlier this year, when the Chuan Likphai administration was in office, formally told the ONCB that under the Anti-Narcotics Act, authorities are already empowered to seize assets, including those which are transferred or laundered, of drug traffickers.

Phokhin said that although authorities would be empowered under the proposed law to check information in financial institutions by court order only, this could violate an individuals' privacy.

Some other Cabinet members have opposed the anti money-laundering bill, in particular Public Health Minister Sano Thianthong who said existing laws are good enough to deal with the crime.

US authorities have accused many Thai politicians, including Chat Thai Party executives Narong Wongwan and Watthana Atsawahem, of having links to the drug trade.

Chat Thai adviser Narong and part deputy leader Watthana were denied ministerial seats in the Banhan government because of the allegations against them.

Suphachai (Democrat-Bangkok) said Thailand should not pass a law against money-laundering at the moment because doing so would be useless if other countries did not have similar legislation.

Thailand should have a law against money-laundering only when there is a United Nations resolution calling for its members to collectively have such a law against the crime, he said.

Suphachai said he did not believe large-scale money-laundering was rampant in Thailand because the country's financial system did not allow for such activity. However, he admitted that small-scale money-laundering, such as that related to contraband smuggling, was prevalent.

A anti money-laundering law may scare away foreign investors, who would have to inform Thai authorities how their money would be used although the money was clean, he said.

"A law against money-laundering may lead to the arrests of 10 or 20 people but it would adversely affect many others," Suphachai said.

If Thailand still wants to become the financial centre in the region, it should not pass an anti money-laundering law. However, the country should be well-prepared to promulgate such legislation, he said.



**Impact of 'Dirty Money' on Politics Examined**

BK0911103495 Bangkok *THE NATION* in English  
9 Nov 95 p A4

[Editorial: "Dirty Money, Dirty Politics Only the Tip of the Iceberg]

[FBIS Transcribed Text] The results of a money laundering survey released by a Chulalongkon research team last week confirm what many people already suspect, that much of Thailand's economy functions outside legal and civil bounds. And that this black economy, the precocious illegitimate child of Thailand's socio-political system, is doing terrible damage to Thai society.

At the top of the list of dirty-money generators was prostitution. According to the survey, the Thai flesh trade is worth about Bt [baht] 500 billion a year, or about half the size of the national budget. The four other illicit industries included in the survey were trafficking in drugs and war weapons, and the smuggling of diesel oil and illegal immigrants.

The authors of the study stressed they were working on minimum estimates and a cursory glance at how they came about their figures suggests that they were indeed conservative.

For the year 1991, they estimated the trade in marijuana at Bt34 million. Given that one man alone, former MP Thanong Siriprichaphong, stands accused of earning Bt325 million for his part in smuggling 45 tonnes of marijuana to the US during the 1980s, the authors' findings can only be viewed as cautious in the extreme.

Again, in the case of prostitution, the academics reckoned there were 100,000 prostitutes working in the country, each serving one customer per day. Other social welfare groups have put the figure as high as two million, and while that may be an exaggeration, the Chulalongkon figure still seems unrealistically low, especially if one was to compare it with the more than 60,000 Thai women who are registered as working as "entertainers" in Japan alone.

**Pervasive Problem**

The point here is not to cast doubts on the researchers' work or its conclusions, but rather to suggest that their extreme caution only underscores how pervasive the problem of dirty money is. Indeed, the research didn't include money earned from the underground lottery, official corruption, intellectual property rights theft (of which Thailand is a world leader) or contraband smuggling, which in some segments of the economy accounts for 70 per cent of goods sold. Add all this together and the true size of the beast quickly

takes on mind-boggling proportions. Rather than as a misrepresentation of the problem, the Chulalongkon figures should be viewed as only the most visible tip of a huge dirty iceberg that has already torn a debilitating and dangerous hole through the ship of statehood.

The survey findings have added fuel to the debate over whether current money laundering laws need to be tightened. Up until now though, the debate has revolved around the rather superficial point of how it would effect Thailand's international image. Senior government officials have claimed that beefing up the laws would be an admission that Thailand had a dirty money problem and thus scare off foreign investment. In light of how undeniable and extensive dirty money is in the economy, their complaints ring not only hollow but also raise questions about whose interests these government leaders are seeking to serve.

The second worrying aspect of the debate is how it has focused almost solely on economic terms — such as the way bad money can unsettle property and capital markets — and not on the devastating human losses that are the result of allowing such dark industries to flourish.

Dr Sangsit Phiriyarangsarn, who headed the Chulalongkon team, singled out prostitution as the real killer in the pack, saying it "has a greater effect on society than drug trafficking".

**Psychological Wedge**

Not only has it left the country exposed to an Aids epidemic and driven a psychological wedge between the nation's men and women, prostitution has left much of traditional rural life in tatters.

Equally damaging is its role as the leading source of the dirty money to fund and corrupt the political system. The Chulalongkon researchers estimated half of the MPs currently sitting in parliament had bought their way to power using slush funds whose origins owed much to earnings from the sex trade.

The result of all this is a self-perpetuating system whereby the bad money funds a bad state structure made up of corrupt policemen and soldiers, influence-peddling officials, and gangster politicians who have no desire to see change. The political system, in turn, clears the way for these same social ills like prostitution, drug trafficking, gambling and white slavery to flourish anew and unrestrained.

Given the seemingly unbreakable compatibility between power and ill-gotten wealth in Thailand, is there any hope that such a situation can be reformed? Only by constant pressure and greater scrutiny from a public that



is sick and tired of the corruption, the inequalities, and the incompetence of leaders who are the rotten fruit of a rotten system.

The costs of these black economy politicians are not only borne by those whose lives are destroyed by drugs or prostitution but by every citizen in the country due to these politicians' lack of leadership in fields such as public health, education and mass communication.

Creating a more responsible political system is a slow, tortuous process that requires a constant ratcheting up of the strictures within which the politicians and business leaders operate. Tough new money laundering laws that demand the powerful and wealthy account for their money would go a long way to helping this process.

Of course, enacting such laws is one thing. Enforcing them is another.

#### **Chawalit Favors Arms Purchase 'Offset Program'**

*BK0411130195 Bangkok THAILAND TIMES  
in English 4 Nov 95 p A1*

[Unattributed report]

[FBIS Transcribed Text] Bangkok—Future arms purchases should be made on condition that the country selling the weapons provides technological information to enable Thailand to produce weapons for sale, Defense Minister Chawalit Yongchaiyut said yesterday.

Gen Chawalit called the system the "Offset Program".

The proposal was made during the government announcement of its achievements at Government House yesterday.

"I have been thinking all along that we should find arms purchase systems that will benefit Thailand, such as this offset program or other systems," said Chawalit.

Chawalit also explained that there are many arms purchase proposals left over from the previous government.

The government has approved proposals for the purchase of a Super Puma helicopter for the use of the Royal Family, 101 M60-A3 tanks, and 5.1-billion-baht missiles and communication equipment for a helicopter carrier.

The defense minister also contradicted reports that the government had rejected the counter trade system for all arms purchases, including the purchase of a helicopter-carrier.

"I would like to explain that the purchase of the helicopter carrier was approved by the sub-committee on arms purchases on May 11, 1995, while Chuan Likphai was the prime minister.

"The sub-committee was chaired by Suphachai Phanitchaphak, the former deputy prime minister, who approved the purchase without the counter trade system," said Chawalit.

### **Vietnam**

#### **Annual Meeting Held With Philippine Delegation**

*BK0811073795 Hanoi Voice of Vietnam Network  
in Vietnamese 1430 GMT 7 Nov 95*

[FBIS Translated Text] Implementing the agreement reached by the Vietnamese and Philippine Governments, the foreign ministries of the two countries held the fourth annual meeting in Hanoi on 6-7 November. The Vietnamese delegation was led by Deputy Foreign Minister Vu Khoan and the Philippine delegation by Deputy Foreign Minister Rodolfo Severino.

The two delegations exchanged views on issues of mutual concern, especially measures to strengthen friendship and cooperation. They stressed the historical significance of the upcoming first official friendly visit to the Philippines by Vietnamese State President Le Duc Anh that will open up a new development stage in ties. The two sides expressed delight at the recent favorable changes in Southeast Asia. Vietnam's full membership in ASEAN has opened a new channel of cooperation with the Philippines in the regional cooperation framework. Both sides stressed their determination to contribute to success of the fifth ASEAN summit conference to be held in Thailand in December this year. They exchanged views on situation in the Eastern Sea [South China Sea] and the Truong Sa [Spratly] Archipelago and expressed their wish to turn this region into the zone of peace, stability, cooperation, and development. Both sides pledged to promote bilateral and multilateral efforts to attain a fundamental and long-lasting solution to conflicts in the region. They reached agreement on the basic measures as follows:

— Both sides will resolve issues related to the Truong Sa Archipelago through peaceful negotiations on the basis of friendship, equality, mutual respect and understanding, abiding by international law and the 1982 UN Convention on the Law of the Sea.

— While promoting talks as a basis for a long-lasting solution, both sides will adopt a policy of self-restraint, refrain from using force or threatening to use force, avoid committing acts detrimental to bilateral friendship and regional stability.

— Both sides will promote appropriate bilateral and multilateral cooperation forms in the environmental protection of the seas, shipping safety, research on maritime science and meteorological information, natural disaster



prevention, pirate suppression, anti-sea pollution, and protection of natural resources in the region.

— Both sides will call for the abidance to international law and practices in handling aviation and shipping activities in the region. They will also call for parties concerned to observe the abovementioned fundamental principles.

During its stay in Hanoi, the Philippine delegation was cordially received by Foreign Minister Nguyen Manh Cam. The Vietnamese foreign minister highly appraised results of the meeting and held that agreements reached by the Philippine and Vietnamese delegations will help strengthen mutual trust and understanding, enhance friendship and cooperation between the two countries, and promote the trend of peace and cooperation for development in Southeast Asia. The Philippine delegation also held working session with the Ministry of Planning and Investment, the Hanoi and Ho Chi Minh City People Committees, and the Vietnam Chamber of Commerce and Industry. It also visited a number of economic and cultural establishments in Vietnam.

At the end of their meeting, both sides signed a joint statement and agreed that the next annual meeting will be held in the Philippines in 1996.

#### **Prime Minister Meets With British Official**

*BK0611163195 Hanoi VNA in English  
1447 GMT 6 Nov 95*

[FBIS Transcribed Text] Hanoi VNA Nov. 6 — Prime Minister [PM] Vo Van Kiet received here this afternoon the British secretary for trade and industry, Lord P.L. Fraser, who is heading a thirty-member delegation now on a visit in Vietnam.

Speaking to his guests, PM Kiet welcomed their visit to Vietnam and stressed that Vietnam and Britain which enjoyed many advantages for the development of their bilateral cooperation would create favourable conditions for the British business people to invest in Vietnam. He also informed his guests of Vietnam's important areas which are given priorities to be invested such as the oil and gas industry, transport and communication systems.

On this occasion, Mr. Kiet asked Mr. Fraser to convey his invitation to British Prime Minister John Major to visit Vietnam.

For his part, Lord Fraser said that his present visit to Vietnam is aimed at exploring possibilities for promoting bilateral cooperation with Vietnam including the forms of joint ventures, technological transfer and personnel training.

Other members of the delegation, who are representatives of major companies, spoke about their capabilities in the fields of oil and gas industry, infrastructure construction, and others.

Secretary of State Fraser noted that Prime Minister John Major has supported Vietnam's joining of the World Trade Organisation and that the British Government will help Vietnam to export garment to the UE [as received] market.

#### **Prime Minister Receives Netherlands Minister**

*BK0611145695 Hanoi VNA in English  
1439 GMT 6 Nov 95*

[FBIS Transcribed Text] Hanoi VNA Oct. 6. [dateline as received] — Vietnam and the Netherlands have signed a project on the latter's help in restoring mangrove forests in the Mekong delta and building a training centre on pig and poultry raising.

This was conveyed to Prime Minister [P.M.] Vo Van Kiet by Dutch Minister of Agriculture, Fishery and Nature Management Jozias J. van Aartsen, who is leading a visiting delegation of the Netherlands in Vietnam.

At a reception here this morning, the Dutch minister also told the Vietnamese leader that his delegation has been here for a fact-finding tour during which it has signed a number of cooperative documents with Vietnam.

Mr Jozias J. van Aartsen noted the government and business people of the Netherlands are prepared to cooperate with and help Vietnam to boost economic development and expressed his hope that in the near future the two countries would widen their bilateral cooperation in agriculture, rural development and other sectors.

Vo Van Kiet briefed the guest on Vietnam's current economic development, stressing that priority is laid for the change of economic structure. He said that as the Netherlands is strong in agriculture and rural development, it would increase its assistance and cooperation with Vietnam in these areas.

'The two sides should promote the exchange of visits which will clarify ways and means to intensify the efficiency of their bilateral cooperation in agriculture and other areas as well,' the Vietnamese P.M. stressed.

He thanked the Dutch Government and people for their help now as before in training Vietnamese personnel. These people, he said, are now playing an important role in Vietnam's agricultural and rural development.

While here, the delegation also held discussions with the host Ministry of Agriculture and Rural Development on



trading and import- export of agricultural products, investment in Vietnam, technology transfer and personnel training.

**Article Views Economic Ties With European Union**

**BK0811050295 Hanoi VIETNAM INVESTMENT**  
**REVIEW in English 2-8 oct 95 p 2**

[Article by Nguyen Tri Dung: "Vietnam Strengthens EU Ties"]

[FBIS Transcribed Text] Investment from the European Union (EU) to Vietnam has shown a fast increase since early this year and almost matched the level of its combined registered capital in the 1993-1994 period, according to latest statistics from the State Committee for Cooperation and Investment (SCCI).

As of September this year, 11 out of 15 EU member countries have poured nearly US\$2.5 billion into Vietnam, accounting for roughly nine per cent of total foreign direct investment projects and 12 per cent of capital in Vietnam.

Standing at the top of the list is France with 66 projects totalling US\$582 million, the Netherlands follows second with 20 projects worth US\$396 million, then Sweden with US\$375 million, Great Britain with 15 projects capitalised at US\$366 million and Denmark with US\$104 million.

Most of the EU projects are involved in the manufacturing sector with the average registered capital being US\$14 million per project.

The oil and gas industry has remained the EU's top investment target with about half of the 29 foreign production sharing contracts signed with EU investors.

Almost all of the EU oil and gas giants are now present in Vietnam, including France's Total, Britain's BP, Netherlands' Shell, Belgium's Fina and Austria's OMV.

In the telecommunication sector, Germany's Siemens has two joint ventures manufacturing optical fiber cables and telecommunications equipment. France's Alcatel has been involved in telecommunications equipment manufacturing and Sweden's Kinnevik and Comvic have concluded a contract to produce mobile communications equipment with investment capital totalling some US\$341.5 million, making it the biggest foreign investor in Vietnam's emerging telecommunications sector.

The farm products processing industry, at present one of Vietnam's top priority investment areas, has also drawn keen interest from EU entrepreneurs.

France's Sucreries de Bourhon has invested in a sugar project worth US\$95 million in the southern province of Tay Ninh, while the Netherlands is involved in a project to produce milk in Song Be province with an investment of US\$29 million.

Other EU companies are working in cashew, coffee, tea production and export of cattle.

During the past several years, Vietnamese consumers have become familiar with many food and drink products from Denmark and the Netherlands, as well as wine from France.

In the banking sector, four French banks, have opened branches here while the Netherlands is present in the form of auditing company KPMG Peat Marwick.

Tourist services and hotel development are other sectors keenly pursued by EU investors, with the Sofitel Metropole Hotel joint- venture in downtown Hanoi leading the pack. In the past three years the venture has made US\$5.7 million.

The French construction firm Feal International has been granted a licence to build a US\$576 million hotel project in Ho Chi Minh City while the Compagnie General de Batiment et de Construction has been awarded a contract to develop a US\$54 million hotel near Hanoi's Opera House.

Vietnam and the EU have also strengthened ties in trade, as Vietnamese products like textiles, garments, natural silk, anthracite, rice and other agriculture products have been sent to numerous EU member markets, while goods imported to Vietnam from the EU such as machines, materials, equipment and chemicals are on the rise.

Vietnam and the EU have concluded several cooperation accords including agreements on garment production and export in 1992, on EU technical assistance to Vietnam in 1994 and a framework agreement inked in July this year.

Bilateral trade turnover has been on the rise, from US\$300 million in 1990 to US\$750 million in 1993 and the figure is estimated to reach an increase of some 20 to 30 per cent this year.

Ties between Vietnam and the EU were cemented with an agreement recently to set up a Joint Cooperation Commission to boost mutual ties, according to the terms of the July cooperation agreement.

The accord was one of the most prominent outcomes of three days of discussions in Hanoi between Manuel Marin, the EU Vice President, and Vietnamese Deputy Prime Minister Phan Van Khai.



Marin, the highest EU official to visit Hanoi since the two sides established full diplomatic relations in 1990, informed Khai and other Vietnamese leaders, including Party Secretary General Do Muoi and Prime Minister Vo Van Kiet, that his organisation would soon open a representative mission to Hanoi which will be headed by a permanent ambassador to help implement agreements reached by the EU and Vietnam so far.

Marin said the EU will increase its official development aid to Vietnam starting from this financial year and create favourable conditions for the European Development Bank to grant Vietnam further loans with preferential terms, thus helping Vietnam to enjoy priorities offered by the EU Common Preferential Tariff.

He added that the EU would continue assisting Vietnam in the development of human resources and other sectors, including public health care, education, personnel and job training, environmental protection and technological transfer on infrastructure, telecommunications, energy and others.

According to agreements reached by the two delegations in Hanoi, the EU will help Vietnam organise seminars in Europe to introduce and attract foreign investors to some of Vietnam's most needed projects.

"The EU attaches great importance to and highly appreciates Vietnam's role in the region and would step up its multi-faceted cooperation with the country in the coming time," Marin said. The EU, he said, will send a team to Vietnam later this year to determine the content of bilateral cooperation and develop a concrete working programme.

**Anniversary of Russian October Revolution Marked**  
*BK0911152395 Hanoi Voice of Vietnam in English*  
1000 GMT 7 Nov 95

[Station commentary]

[FBIS Transcribed Text] The Soviet Union now no longer exists. However, 7 November always reminds mankind of the historic Russian October Revolution. Now that rapid changes are taking place in the world, many people are all the more aware of the real value of that victory. Here is our radio editor's opinion:

Seventy-eight years have lapsed since the victorious Russian October Revolution. The great achievements of this event are unforgettable. When the Soviet Union collapsed in 1991, it shocked many people, while many others held that an end to the Soviet Union meant an end to socialism and the role of the October Revolution in the modern world. However, a number of years has passed, and it is impossible to deny the real value of that revolution. Its great value lies in the fact that it was

the first time the proletarians overthrew a feudal and capital rule and established a genuine worker-peasant-intellectual government. It resulted in the coming into being of the Soviet Union and socialist countries in the Eastern Europe, Asia, and Latin America. All these countries continued to contribute a great part to mankind historical development. The socialist countries made considerable steps, particularly in building better social relations within their society. It is the same goal any country with a developed economy wants to reach. It provides standards of social equity, human rights, and humanitarian values.

However, over the last 80 years since the October Revolution, socialism has had many big gains and many major losses. During the economic development process, socialist countries made serious mistakes which contradicted to nature of the system. It included cumbersome, bureaucratic, and less effective political and particularly economic management system. It was one of the facts leading to the collapse of the Soviet Union and some other socialist countries.

However, it was not the time to toll the death knell for socialism. The remaining socialist countries, including Vietnam, are continuing their socialist-orientated road. Many countries from the former Soviet Union have reaffirmed their confidence in socialism. In the celebration to mark the October Revolution in Ukraine last weekend, the communists pointed out they would still orientate towards socialism, as capitalism could not develop in their country. The spirit of the October Revolution remains in the struggle of communists and people in many countries. Marxism and Leninism, and the October Revolution, still have their actual values.

**'Leniency' of Dissidents' Sentencing Viewed**  
*BK0811140695 Hong Kong AFP in English*  
1356 GMT 8 Nov 95

[FBIS Transcribed Text] Hanoi, Nov 8 (AFP) — Two Vietnamese dissidents were given jail terms here Wednesday for questioning the Communist Party's monopoly on power, as western observers expressed surprise at the leniency of their sentences.

Hoang Minh Chinh and Do Trung Hieu were given 12 and 15 months in jail respectively, terms observers judged light considering the charges against them.

Both were arrested on June 13, Chinh in Hanoi and Hieu in Ho Chi Minh City. They were tried in a single day at a Hanoi people's court under tight security.

The national press has kept silent about the case, which western lawyers were not permitted to watch.



Chinh, 76, is a former secretary-general of the democratic party, a Communist Party organisation which wound itself up in 1986. He was found guilty of "abusing the rights of freedom and democracy to attack national security."

Hieu, 57, was sentenced for "anti-socialist propaganda", according to the men's families.

Chinh was arrested for distributing writings criticising the Communist Party's exclusive hold on power. He also asked for the rehabilitation of some 30 senior party figures who fell victim to purges in the 1960s for "revisionism" and "opposition to the party line".

Since 1967 he has spent a total of 11 years in prison and nine under house arrest.

Hieu is a member of a club of former resisters founded in 1990 in Ho Chi Minh City, which was later banned for its appeals for Vietnamese politics to be democratised.

The two men, both veterans of the Vietnamese revolution, handled their own defence and denied all charges against them, well-informed sources said. Chinh initially appointed a Vietnamese lawyer but later changed his mind.

Both are in poor health, which has deteriorated during their five months in detention, according to their families. Five members of each man's family were allowed to watch the trial.

But western observers expressed surprise at the lightness of the sentences. In August a group of "counter-revolutionaries" who tried to organise a human rights conference here received sentences of up to 15 years in prison.

"It looks like a compromise solution — they punish a bit of dissidence, but not too heavily, just enough to make an impression," one western diplomat said.

"I would have thought they would get much longer sentences. The US administration issued a statement after Chinh's arrest, Vietnam would be sensitive to a US reaction," an Australian expert on Vietnam said, pointing out that delicate discussions over commercial ties are about to begin.

The case attracted the attention of the party's top man, Do Muoi, and observers pointed out that their beliefs have sympathisers in party ranks. Vietnam's Communist Party is suffering an unprecedented crisis of confidence following the collapse of the old Soviet bloc.

One diplomat pointed out that the two men will be still in prison at the time of the eighth party congress in mid-

1996. They are likely to be held in a detention centre in southern Hanoi.

#### **Family Members React to Sentencing of Dissidents**

*BK0911094995 Hong Kong AFP in English*  
*0941 GMT 9 Nov 95*

[FBIS Transcribed Text] Hanoi Nov 9 (AFP) — Hoang Minh Chinh, a former Vietnamese Communist Party official, plans to appeal against his one-year jail sentence imposed Wednesday [8 November], his family said Thursday.

Dissident Chinh was sentenced together with another former party official after a one-day trial. The other defendant, Do Trung Hieu, received a 15-month jail term.

"We went home outraged after the trial," a member of Chinh's family said, adding that he would "without any doubt appeal."

The family also plans to send a petition to the authorities "after this unjust trial," the same source said.

Chinh, who has long called for Vietnamese politics to be democratised, was accused of "abusing rights of freedom and democracy to attack national security". Chinh carried out his own defence and argued he had not broken the law.

"He was interrupted several times by court officials. They were trying all the time to make him admit he had received Hieu's writings," the family member said, adding that Hieu "admitted certain errors" during the trial.

Hieu's writings challenged the Communist Party's monopoly on power.

Images of the trial broadcast late Wednesday by Vietnamese television showed Chinh, 76 and ill, looking very weak and clearly very annoyed in the dock.

Hieu's wife said Thursday it was unsure her husband would appeal, but said she was "shocked" by the sentence and would definitely be sending a protest letter to the government.

"He has only made use of freedom of opinion," she said.

#### **Official on Need To Speed Up Enterprise Reforms**

*BK0811071595 Hanoi VIETNAM INVESTMENT*  
*REVIEW in English 2-8 Oct 95 p 17*

[Unattributed report on Dr. Phan Van Tiem, chairman of the Government Enterprise Renovation Board, outlining



steps to speed up reforms of State-owned enterprises — place and date not given]

[FBIS Transcribed Text] IF Vietnam's economy is to grow at the targetted annual rate of 10 per cent until 2000, drastic changes must be made to State enterprises.

The 6,404 State-operated enterprises (SOEs) in Vietnam contribute 45 per cent of the nation's GDP.

In 1994, while the GDP of Vietnam increased 8.4 per cent, the GDP of the nation's SOEs increased 12.6 per cent.

Although SOEs have played an important role in promoting GDP growth, there are still many problems existing in this sector. SOEs' capital efficiency has remained very low.

In addition, SOEs' technical equipment has typically been two to three generations behind that of other Southeast Asian countries, a problem that has been difficult to overcome because of the limitations on Vietnam's sources for investment.

The average investment resources of one SOE in Vietnam are only equivalent to 9.3 per cent of that of the average investment resources for one foreign-invested enterprise (FIE). At present, there are 1,066 FIEs in Vietnam.

In order to overcome these problems, SOEs are in urgent need of reform. In the next couple of years, there are some clear steps that need to be taken.

First, it is necessary to identify the two kinds of SOEs: those that operate for profit and those that are non-profit. About 30 per cent of SOEs should be non-profit; the rest should be completely under the market mechanism.

Subsidy mechanisms should not be applied to the later, which will be controlled by the Law on Encouraging Competition, which will be issued soon, and by the Law on Bankruptcy, which has been in effect for more than a year.

Second, it is necessary to prepare a list of the 300 SOEs that need 100-per-cent Government investment (excluding infrastructure sectors and non-profit SOEs that operate for the benefit of society).

The rest will be partly owned by various companies, and majority- owned by the Government. Shares and stocks of some SOEs will be sold to their workers and to companies.

After that, a secondary stock market will be established, and stock exchanges will eventually be formed in Hanoi and Ho Chi Minh City.

Finally, in the years ahead, the entire SOE system should be reformed into powerful companies with an investment capital of over VND1 trillion (US\$90.9 million). These SOEs will serve as keys to Vietnam's economic growth.

#### **Ninh Binh Admits Over 1,100 Party Members**

*BK0511073095 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 3 Nov 95*

[FBIS Translated Text] Over the past year, since the Ninh Binh Party Committee decided to change the District Political Education Center into the Retraining School for District and Township Cadres, Ninh Binh Province has organized 27 courses for nearly 200 outstanding youth union members to train them to be would-be party members.

So far, the party organizations in the entire province has admitted more than 1,100 new party members or 52 percent of the total people who have attended courses for would-be party members. Most of new party members have shown good potentials in many fields. Many comrades have been assigned important duties in mass organizations and socioeconomic organs at the grass-roots level.



## Australia

### Article Views 'Complex' Policy on East Timor

BK0911154795 Sydney *THE AUSTRALIAN*  
*FINANCIAL REVIEW* in English 20 Oct 95 p 3

[Article by Geoffrey Barker: "East Timor impossible to ignore" — from the "Weekend Review" section]

[FBIS Transcribed Text] Indonesia's Foreign Minister, Ali Alatas, used to call East Timor the pebble in Indonesia's shoe. These days it's a stake through Indonesia's foot, crippling its international reputation and spreading poison through Indonesian-Australian relations.

Of all the issues in Australian foreign policy over the past 20 years, none has proved more intractable than Indonesia's invasion and incorporation of East Timor and its brutal — at times murderous — suppression of the East Timorese population.

Public concern over East Timor transcends the political spectrum, uniting Left and Right. It transcends generations, uniting World War II veterans and post-Vietnam youngsters. It transcends ethnic divisions, uniting refugee minorities and other majorities.

The East Timor infection is a persistent and painful complication in Australia's important economic and strategic relations with its largest and closest neighbour. It was at the centre of the row over the appointment of General Herman Mantiri as ambassador to Australia. It is at the heart of Canberra's agonising over the status of East Timorese asylum-seekers in Australia. And it was a central issue for Australia in Portugal's unsuccessful World Court challenge to Australia's Timor Gap Treaty with Indonesia.

East Timor has been a nightmare for successive Australian governments. It has repeatedly forced the Minister for Foreign Affairs, Senator Evans, and the Prime Minister, Mr Keating, onto the defensive in the face of public criticism of a complex policy which has failed to balance Australia's human rights principles with its strategic and economic interests.

In fact, Australian military and economic relations with Indonesia have blossomed while human rights improvements in East Timor have been barely perceptible. Current indications are that improvements in East Timor will continue to be glacial and that Australian public criticism will continue unabated as strategic and economic ties with Indonesia become closer.

So what can be done? This article sketches how Australian-Indonesian relations became infected by East Timor, outlines current policy, examines its outcomes,

and proposes at least supplementary approaches that might produce better results for both countries.

A primary source of the infection was the notorious killing by the Indonesian army, 20 years ago this week, of five Australian-based television journalists during an attack on Balibo before the December 1975 invasion. The brutality of the killings, and the inability of Canberra to obtain any explanation from Indonesian authorities, forced East Timor into Australia's consciousness.

The slaughter of East Timorese during the 1975 invasion, and the murder of another Australian reporter, Roger East, further emphasised the ruthlessness of Indonesia's incorporation of the former Portuguese colony and the acquiescence of the Australian government, despite its feeble protests.

Over the next 16 years, East Timor remained a high-profile issue in Australia because of the heavy-handedness of Indonesian rule and because of campaigns by Australian human rights activists and East Timorese expatriates.

A transforming event was the massacre of at least 70 peaceful protesters by Indonesian troops in the East Timorese capital of Dili in November 1991. Amateur video footage showing people being shot and clubbed in a cemetery focused world attention on East Timor and galvanised Australian outrage against what was widely seen as Canberra's appeasement of public mass murder by the Indonesian army.

Since 1979 it has been Australian policy to recognise Indonesian sovereignty over East Timor. Australia accepts that East Timor retains the right to self-determination, but does not specify what self-determination might mean for East Timor within Indonesia.

Senator Evans has urged Indonesia to establish a reconciliation strategy with East Timor which would include a reduction of Indonesian military forces, improved social and economic development, greater recognition of and sensitivity to East Timor's distinctive cultural, ethnic and religious identity and "some degree of local autonomy".

Australia has encouraged talks between Indonesia and Portugal under the auspices of the United Nations and the first all-inclusive East Timorese dialogue held in Austria last June. Since 1979, Australia has provided \$25 million in humanitarian and development aid to East Timor; between 1994-95 and 1998-99 it will provide a further \$30 million in aid to improve sanitation, water supply, veterinary and other agricultural services.

This policy is widely criticised as being too vague. "Self-determination" and "some degree of local auton-



omy" are not defined and as policies they reveal that Australia does not support a fully independent East Timor. In fact, given the enormity of Indonesia's abuses of human rights in East Timor, Canberra's policy has been criticised for being pursued too timidly and too privately and for being subordinated to Australia's economic and security interests with Indonesia.

Above all, it has been criticised because it has failed: Indonesia has not lightened its oppressive military presence and has not allowed the East Timorese space within Indonesia to develop economically, culturally and autonomously.

Moreover, Mr. Keating has signalled that Australia will not push Indonesia harder over human rights. Several times he has declared the emergence of President Suharto's New Order Government as being "the single most beneficial strategic development to have affected Australia and its region in the past 30 years". Australia's primary interest is regional stability and not respect for human rights.

But the failure of Australian policy to date is not attributable simply to its vagueness and the reluctance of Mr Evans and Mr Keating to stand up more firmly for human rights in East Timor. Three wider considerations underpin (although hardly justify) Indonesia's intransigence.

First, Indonesia fears that any concessions in the face of continuing East Timorese resistance would encourage further demands from Fretilin [Revolutionary Front for an Independent East Timor] independence activists. Second it fears any easing of pressure in East Timor might unleash autonomy demands in other provinces and threaten Indonesia's national unity. Third, Indonesia is under no pressure over East Timor from its ASEAN partners or major powers like China and Japan.

However, in a bleak picture of deterioration in the human rights situation in East Timor (including reports of killings, torture, arrests and disappearances), there is evidence that parts of the Indonesian administration might be trying to clean up their act.

Indonesia has thrown a lot of money at East Timor for development. It now discusses issues with the International Commission for Human Rights and the UN. East Timor is now more accessible to foreign observers. The Indonesian Human Rights Commission is active in East Timor and two soldiers indicted for killing six East Timorese at Liquisa last January have been sentenced to jail. The Red Cross now has an office in East Timor and reportedly has reasonable access to detainees.

These may be minimal and cosmetic improvements given the oppressive presence of security forces in East Timor. Moreover, they can be swiftly reversed at the whim of military authorities.

But some enlightened Indonesians may have concluded that it is not in Indonesia's interests to allow East Timor to fester indefinitely.

Given Indonesia's resistance to criticism there may be space for more "second track" meetings between Australian and Indonesian officials and academics to discuss the failures of Indonesian and Australian policy towards East Timor and to consider other ways ahead.

Mr Richard Woolcott, a former Australian ambassador to Indonesia, strongly advocates closer Australian-Indonesian relations. He argues persuasively that Australia has to live beside Indonesia and needs to balance complex and competing interests while acknowledging that relations would become extremely difficult if another massacre occurred.

There is also a case, as Opposition foreign affairs spokesman, Alexander Downer, argues, for a more consistent and forthright human rights approach by Australia.

But human rights in East Timor are more likely to be advanced if Australia and Indonesia sit down and talk with each other, rather than shout at each other.



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